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# In the Supreme Court of the United States

OCTOBER TERM, 1978

No. .....

DOROTEA ZALDIVAR V. DE TENORIO, ET AL.,
*Petitioner,*

vs.

CHARLES LAVELL LIGHTSEY, ET AL.,
*Respondent.*

## PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

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## PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

Petitioner, Dorotea Zaldivar V. de Tenorio, joined by co-appellants below, respectfully prays issuance of a writ of certiorari to review the judgment of the Court of Appeals for the Fifth Circuit, which re-adopted on a second appeal a previous decision which reversed the United States District Court for the Southern District of Mississippi, Judge Godbold dissenting, and declined to grant relief on constitutional grounds.

## OPINIONS BELOW

*Dorotea Zaldivar V. de Tenorio* v. *H. E. McGowan*, 364 F. Supp. 1051 (D.C. Miss., 1973) (Apx. A).

*Dorotea Zaldivar V. de Tenorio* v. *H. E. McGowan*, 510 F.2d 92 (CA 5, 1975) (Apx. B), also Opinion denying Petition for Rehearing, 513 F.2d 294 (CA 5, 1975) (Apx. C).

*Dorotea Zaldivar V. de Tenorio, et al.* v. *Charles Lavell Lightsey, et al.*, (D.C. Miss., 1976) (Apx. G).

*Dorotea Zaldivar V. de Tenorio, et al.* v. *Charles Lavell Lightsey, et al.*, No. 77-1242 (CA 5, 1979) (Apx. H).

## JURISDICTION

The last judgment of the Court of Appeals was dated and entered on February 16, 1979.

The case involves the construction and application of a Treaty. 45 Stat. 2618. It also involves limitations upon a state statute as mandated by the Treaty and by the Constitution of the United States. Jurisdiction is conferred by Article III, Section 2, United States Constitution, and 28 U.S.C., 1254(1).

## QUESTIONS FOR REVIEW

1. When a treaty between the United States and other nations provides that the nationals of each High Contracting Party shall receive the "most constant protection and security" for their property and that such property may not be taken "without due process of law and without payment of just compensation", what federal rights, if any, do non-resident aliens of those treaty nations have to avoid adverse discrimination under a state statute which allows aliens of some favored nations to inherit and hold land without limitation, but which deny the same right to others purely because of national origin?



2. Under federal law, may a state statute relating to the inheritance of property by aliens be so construed as to allow some state selected aliens to inherit and hold land within the state and to deny the same right to other non-favored aliens, without cause other than a desire to discriminate on the basis of national origin?

3. Does such a state statute by which the citizens of chosen nations are favored and those of others disfavored involve the state impermissibly in those foreign affairs or international relations which are entrusted by the Constitution solely to the Federal Government?

## TREATY AND CONSTITUTIONAL AND STATUTORY PROVISIONS DIRECTLY INVOLVED

*Treaty of Friendship, Commerce and Consular Rights* between the United States of America and the Republic of Honduras (December 7, 1927). 45 Stat. at Large 2618 (Apx. D).

### TREATY EXCERPTS - ARTICLE I

"The nationals of each High Contracting Party shall enjoy freedom of access to the courts of justice of the other on conforming to the local laws, as well for the prosecution as for the defense of their rights, and in all degrees of jurisdiction established by law.

"The nationals of each High Contracting Party shall receive within the territories of the other, upon submitting to conditions imposed upon its nationals, the most constant protection and security for their persons and property, and shall enjoy in this respect that degree of protection that is required by international law. Their property shall not be taken without due process of law and without payment of just compensation."

CONSTITUTION OF THE UNITED STATES
ARTICLE VI

"2. This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding."

MISS. CODE 1972, §89-1-23 (EXCERPTS)

(Apx. E)

"Resident aliens may acquire and hold land, and may dispose of it and transmit it by descent, as citizens of the state may; but non-resident aliens shall not hereafter acquire or hold land, . . ."

"Provided, further non-resident aliens who are citizens of Syria or the Lebanese Republic may inherit property from citizens or residents of the state of Mississippi."

## STATEMENT OF THE CASE

The federal jurisdiction in the Court of first instance was based upon the existence of federal questions, especially Treaty questions. 28 U.S.C., §1331. *Tenorio* v. *McGowan*, 364 F. Supp. 1051 (1973) (Apx. A).

The District Court found that the Honduran Nationals were protected in their property rights under the circumstances of the case by the letter and spirit of the Treaty of Friendship, Commerce and Consular Rights with the Republic of Honduras (45 Stat. 2618) despite a Mississippi



statute which itself protected some named aliens but withheld its protection from others, including Honduran Nationals among those not so favored. The circumstances are those outlined below.

The land was acquired by Elbert J. McGowan about 1915. Elbert, along with his brother, Hamilton E. McGowan, lived, at the time, in Vossburg, in rural Clarke County, Mississippi. About this time, Elbert left for Central America and returned infrequently.

On leaving, Elbert entrusted his land to his brother, Hamilton, who agreed to look after the place and pay the taxes "as a favor to his brother and for use of said land".

In 1940, Elbert married a native Honduran, Maria Obdulia Zaldivar, and lived with her in Central America until his death, seventeen years later. Neither Elbert nor his Honduran wife changed citizenship. Elbert never brought his wife, a non-white, to Clarke County, Mississippi. She spoke very little English. Maria Obdulia Zaldivar McGowan was Elbert's sole heir.

Elbert's widow had no knowledge of Elbert's land ownership in Clarke County. No formal administration was opened upon his estate in Mississippi, but his brother, Hamilton, had the land tax assessment changed from Elbert (E. J.) McGowan to the "E. J. McGowan Est."

Hamilton did not communicate with Elbert's widow or make any effort to do so, but continued to manage Elbert's land as he had done prior to his death, using the land then assessed to his brother's estate and keeping the profits for the payment of taxes just as before.

Elbert's widow died in Honduras on February 28, 1969, still ignorant of her Mississippi inheritance.

Elbert's widow was survived by a sister, petitioner, Dorotea Zaldivar V. de Tenorio, with whom she had lived in Honduras since her husband's death in 1957, and one brother, whose assignees are parties also. After her sister's death, Dorotea learned of Elbert's land in Mississippi, when she was approached to give an oil lease. The present suit followed and was filed on April 12, 1971, two years after Obdulia's death. It has been on-going since that time.

On appeal, a panel of the Fifth Circuit Court of Appeals (Judge Godbold dissenting) reversed, holding that under the Mississippi statute as modified by the Treaty, the Honduran national had lost her inheritance by the passage of time, and remanded the case for further proceedings (Opinion, 510 F.2d at 102, Apx. B). This Court denied review on petition for writ of certiorari, Justice Blackmun dissenting, 423 U.S. 877, 96 S.Ct. 150 (Oct. 6, 1975).

Since the Fifth Circuit noted in the majority opinion that "The Mississippi statute was not attacked in the District Court and there was no request that a three judge court be convened", the plaintiffs amended the complaint on remand to attack that portion of the Mississippi statute which, as applied, discriminated against Honduran citizens by its denial of unrestricted inheritance rights to Hondurans while allowing citizens of other nations to inherit land.

However, petitioners fared no better under the amendment because both the District Court (Apx. G) and a second panel of the Fifth Circuit on a second appeal (Apx. H) viewed the issue thus raised as being foreclosed by the law of the case as announced on the first appeal, hence this petition for certiorari.



## ARGUMENT

### I. In General

This case involves the construction of a Treaty with the Republic of Honduras, but as shown by the "Schedule of Treaties Affected by Decision" (Apx. F), at least twenty-three treaties to which the United States is a party are similar to the Honduran Treaty. The Treaty with Honduras is unique in that it borrows the "due process of law" concept found in the Fifth and Fourteenth Amendments to the Constitution of the United States. This Article I of the Treaty provides that the Nationals of each High Contracting Party:

> ". . . shall receive . . . the most constant protection and security for their persons and property. . . . *Their property shall not be taken without due process of law* and without payment of just compensation." (Emphasis added).

The Mississippi statute in question here would bar *all* non-resident aliens from acquiring or holding land, *except* that non-resident aliens who are citizens of Mississippi's favored nations (Syria and the Lebanese Republic) may inherit land without limitations, albeit these also remain disqualified to acquire land by other means, such as by purchase. In pertinent part, the Mississippi statute provides:

> "Resident aliens may acquire and hold land, and may dispose of it and transmit it by descent, as citizens of the state may; but non-resident aliens shall not hereafter acquire or hold land, . . ."
>
> "Provided, further, non-resident aliens who are citizens of Syria or the Lebanese Republic may inherit

property from citizens or residents of the state of Mississippi." (§89-1-23, Miss. Code 1972, Apx. E).

On the state government level, the choice among nations for conferring inheritance rights to some but not to others has no articulated or apparent basis for its discrimination except a preference based alone on the accident of national origins.

In order to eliminate this invidious discrimination and continue to allow citizens of the two state-favored nations to inherit, it is only necessary to strike down the phrase "who are citizens of Syria or the Lebanese Republic". The result would be an across-the-board prohibition against non-resident aliens from acquiring or holding land, except by inheritance, and an inclusion of all aliens in the allowance or acquisition and holding land by inheritance.

The non-discrimination mandated by "due process of law" as borrowed from our Constitution and incorporated in the controlling Treaty, requires this much as a minimum, if the concept is to apply at all.

The Fifth Circuit majority on the first appeal rejected the concept that states may not pick and choose among nations for favoritism. This was upon the view that the Fourteenth Amendment does not apply to aliens not within the jurisdiction of the United States. The "due process of law", along with "equal protection of the law" and the unauthorized "intrusion by the state into the field of foreign affairs" arguments were brushed aside with this language in the opinion:

> "There are sundry other arguments which have not gone unnoticed.
>
> "Appellee turns the spotlight on Section 842 of the Mississippi Code of 1942, which allows non-resident alien citizens of Syria or the Lebanese Republic to inherit property from citizens or residents of Mississippi, but denies that right to all other non-resident aliens. Hence, she argues that the statute 'denies to these selected aliens the equal protection of the law, contrary to the Fourteenth Amendment [and] constitutes an unconstitutional intrusion by the state into the field of foreign affairs which is entrusted to the President and Congress.'
>
> "Resident aliens, lawfully in the United States, are undoubtedly entitled to the equal protection of the law, Graham v. Richardson, 403 U.S. 365, 91 S.Ct. 1848, 29 L.Ed.2d 534 (1971). It is equally obvious that the Fourteenth Amendment, by its own terms, has no application to aliens not within the jurisdiction of the United States.
>
> " 'Section 1. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.'
>
> "The Mississippi statute was not attacked in the District Court and there was no request that a three judge court be convened."[1] (510 F.2d at 101).



1. No injunctive relief was sought and no state officer was a party and the necessity for requesting a three judge court under 28 U.S.C., §2281 was not apparent. *Moody* v. *Flowers*, 387 U.S. 97, 87 S.Ct. 1544 (1967); *Kennedy* v. *Mendoza-Martinez*, 372 U.S. 144, 83 S.Ct. 554 (1963). Nor was a three judge court requested by the Amended Complaint and for the same reason.

Since the Court of Appeals decided that the Mississippi statute was not attacked in the District Court, and that its constitutional validity was, therefore, not before the Court of Appeals, Petitioner, on remand for further proceedings, sought and obtained leave to amend the Complaint and then, by amendment, specifically attacked that portion of the statute which presented constitutional infirmity. The Amended Complaint alleged:

> "That portion of the statute of the State of Mississippi purporting by its terms to allow non-resident aliens who are citizens of Syria and the Lebanese Republic to inherit property from citizens of the United States and to deny such right to non-resident aliens who are citizens of the Republic of Honduras, with which country this nation has friendly and diplomatic relations, inclusive of the Treaty of Friendship, Commerce and Consular Rights, is an unconstitutional interference with the effective exercise by the federal government of the nation's foreign policy, even in the absence of a treaty, as was held in principle in *Zschernig* v. *Miller*, 389 U.S. 429, 88 S. Ct. 664 (1968), and related cases, and is in direct contradiction of Article I, paragraph third and fourth of the prevailing Treaty of Friendship, Commerce and Consular Rights between the United States and the Republic of Honduras, by which the nationals of each country are to receive 'the most constant protection and security for their persons and property' and by which such nationals are to receive 'due process of law' in reference to their properties.
>
> The treaty aforesaid incorporates as applicable to the nationals of each country the substance of the Fifth and Fourteenth Amendments to the Constitution of the United States and assures to such nationals



> the equal protection of the laws, which in the present case, means at least protection equal to that afforded to the nationals of Syria and the Lebanese Republic, wherefore the phrase in said statute (third paragraph)—'who are citizens of Syria or the Lebanese Republic'—is void and should be disregarded, so that all non-resident aliens may be allowed to 'inherit property from citizens or residents of the State of Mississippi,' thereby preserving the rights of citizens of Syria and the Lebanese Republic but disallowing invidious discrimination against other nations, inclusive of citizens of Honduras.
>
> The Mississippi statute violates the Fifth and Fourteenth Amendments to the Constitution of the United States."

But the District Court, on motion to strike, viewed the issue as having already been decided on the first appeal and proceeded to dismiss the Amended Complaint on its view of the "law of the case" (Apx. G). Then, on the second appeal to the Fifth Circuit, that Court affirmed, saying:

> "The plaintiff also alleges that the Mississippi statute prohibiting ownership of land by an alien was unconstitutional. We disposed of that argument in our prior opinion." (Apx. H).

This ruling assumes that the Court addressed the constitutional issue in its prior opinion, when in point of fact, this is not the case, because the Court dismissed the constitutional point on the observation that the statute was not attacked in the District Court on the first trial "and there was no request that a three judge court be convened."

An attempt was made to obtain review by this Court of the original opinion, but the Petition for Writ of Certiorari was denied, - Justice Blackmun dissenting, 423 U.S. 877, 96 S.Ct. 150 (October 6, 1975).

Having now duly raised the constitutional questions below and having suffered summary rejection on the mistaken view that the important questions were previously faced and decided we again seek to gain a review on the limited questions previously stated.

Returning now to the Fifth Circuit's original opinion, it completely ignores the fact that the equivalent of the Fifth Amendment and Fourteenth Amendment was written into the Treaty, just as these "due process of law" mandates are written into our Constitution. By applying the letter of constitutional concepts to citizens of the Republic of Honduras, the Treaty also must be read as invoking, as well, the spirit of due process which proscribes invidious discrimination by state law on the basis solely of national origin.

## II. Due Process of Law

The Treaty with Honduras rings a familiar constitutional bell, saying simply and without qualification of any sort:

> "Their property shall not be taken without due process of law and without payment of just compensation." Art. I.

The Treaty operates by its own force and stands equal to our Constitution in supremacy as the law of the land. As put in *Asakura* v. *City of Seattle*, 265 U.S. 332, 44 S.Ct. 515 (1924):



> ". . . It stands on the same footing of supremacy as do the provisions of the Constitution and laws of the United States. It operates of itself without the aid of any legislation, state or national; and it will be applied and given authoritative effect by the courts. . . ." (44 S.Ct. at 516).

The Treaty does not say who may not take their property but simply that their property shall not be taken without due process of law and payment of just compensation. And to add vigor to the proscription against the taking, it provides, in the same Article, that the Nationals shall receive in the territories of each other "the most constant protection and security for their persons and property."

In Mississippi, a widow, absent children and apart from alienage, inherits the whole of her husband's estate.[2]

Since the Treaty stands on its own and is unqualified in its proscription against taking property and, therefore, is broader in scope than the Fifth and Fourteenth Amendments to the Constitution, there is no necessity for inquiry into such questions as whether a Honduran is a "person" or "any person" or is one within the "jurisdiction" of a state which seeks to discriminate, as those terms are used in our Constitution. However, recourse may be had, by way of analogy, to the decisions of this Court involving the scope of "due process of law" as applied to those entitled to its protective sweep.

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2. Miss. Code 1972, §91-1-7: "If a husband die intestate and do not leave children or descendants of children, his widow shall be entitled to his entire estate, real and personal in fee simple, after payment of his debts. . . ."

This statute does not except non-resident aliens. It is by another separate statute that non-resident aliens, with certain exceptions, are prohibited from acquiring and holding land. See §89-1-23 (Apx. E).

We approach the due process question from the viewpoint of its proscription against discrimination and its mandate for equal protection of the law.

The excuse given for discrimination against aliens, in the absence of overriding treaties, has been called the "special public-interest doctrine." In relation to the ownership of land, the doctrine articulates itself in the context of the special public interest in reserving the land to those who are citizens or at least to those who reside within the state. The theory is that non-residents do not effectually work for the welfare of the state. *Terrace* v. *Thompson,* 263 U.S. 197, 44 S.Ct. 15 (1923).

But the *discrimination* on this basis is not only violative of the Treaty's "due process of law" mandate, but is without a rational basis, because non-resident citizens of other states and non-resident aliens who happen to be citizens of Syria or the Lebanese Republic are no less ineffectual as welfare workers than are non-resident citizens of other countries, such as the Republic of Honduras.

Moreover, recent decisions of this Court have cast doubt upon the special public-interest doctrine in all contexts, including the denial to aliens of the right to acquire and own land. In *Graham* v. *Richardson,* 403 U.S. 365, 91 S.Ct. 1848 (1971), for example, this Court in invalidating discrimination against aliens by state welfare laws under the Fourteenth Amendment, said:

> ". . . On the same theory (special public-interest), the Court has upheld statutes that, in the absence of overriding treaties, limit the right of noncitizens to engage in exploitation of a State's natural resources, restrict the devolution of real property to aliens, or deny to aliens the right to acquire and own land.



> "Takahashi v. Fish & Game Comm'n, 334 U.S. 410, 68 S. Ct. 1138, 92 L.Ed. 1478 (1948), however, cast doubt on the continuing validity of the special public-interest doctrine in all contexts. There the Court held that California's purported ownership of fish in the ocean off its shores was not such a special public interest as would justify prohibiting aliens from making a living by fishing in those waters while permitting all others to do so. . . ." (91 S.Ct. 1853).

See also: *Sugarman* v. *Dougall,* 413 U.S. 634, 93 S.Ct. 2842 (1973), and cf. *Oyama* v. *State of California,* 332 U.S. 633, 68 S.Ct. 269 (1948), as casting further serious doubt on the right of a state to exclude aliens under *Terrace* v. *Thompson,* 263 U.S. 197, 44 S.Ct. 15 (1923), and related cases, from acquiring and holding land.

True, these cases deal with resident aliens who are entitled to the benefits of the Fourteenth Amendment, but it is equally true that the Honduran Treaty carries the constitutional equivalent in its Article I guarantee of "due process of law" and "just compensation."

However, we need not debate the question of the continuing validity of the public interest doctrine as applied to non-resident aliens, because the invidious discrimination against the federally favored nationals of the Republic of Honduras can easily be eliminated by simply affording to Hondurans equal treatment under the law. And this may be done by a fair and equitable, and certainly by the required liberal, construction and application of the Treaty provisions: "Their property shall not be taken without due process of law and without payment of just compensation." (Art. I).

Like the Fifth Amendment, the Treaty equivalent makes no express reference to the "equal protection of

the laws," such as is found in the Fourteenth Amendment. However, it is settled that an unjustified discrimination violates the concept of "due process of law". As said in *Johnson* v. *Robinson*, 94 S.Ct. 1160 (1974), footnote 4:

> "Although 'the Fifth Amendment contains no equal protection clause, it does forbid discrimination that is "so unjustifiable as to be violative of due process."' Schneider v. Rusk, 377 U.S. 163, 168, 84 S. Ct. 1187, 1190, 12 L. Ed. 2d 218; see Frontiero v. Richardson, 411 U.S. 677, 680 n. 5, 93 S. Ct. 1764, 1767, 36 L. Ed. 2d 583 (1973); Shapiro v. Thompson, 394 U.S. 618, 641-642, 89 S. Ct. 1322, 1335, 22 L. Ed. 2d 600 (1969); Bolling v. Sharpe, 347 U.S. 497, 74 S. Ct. 693, 98 L. Ed. 884 (1954). Thus, if a classification would be invalid under the Equal Protection Clause of the Fourteenth Amendment, it is also inconsistent with the due process requirement of the Fifth Amendment. See Richardson v. Belcher, 404 U.S. 78, 81, 92 S. Ct. 254, 257, 30 L. Ed. 2d 231 (1971)."

Also: *Weinberger* v. *Wisenfeld*, 95 S.Ct. 1225 (1975), especially footnote 2, and cases cited.

The Treaty guaranty of "due process of law" to Honduran Nationals is at least equal to the due process mandate of the Fifth Amendment as it applies to require the equal protection of the laws equivalent in scope to the Fourteenth Amendment's proscription against discrimination.

Equal treatment of "resident" aliens with citizens finds compulsion under the Fourteenth Amendment, and the Mississippi statute provides for equal treatment. The statute then disfavors "non-resident" aliens as compared with citizens and resident aliens. If it had stopped here, *Terrace* v. *Thompson*, 263 U.S. 197, 44 S.Ct. 15 (1923) might be cited as justification for the classification, absent an overriding treaty.[3] But it did not stop here. The statute proceeded to attempt to classify "non-resident" aliens as among themselves. Specifically, it chose non-resident aliens who are citizens of Syria or the Lebanese Republic on whom to confer the right to inherit property without restriction, disfavoring in this respect other non-resident aliens.



It is perfectly proper for Mississippi to enact a law allowing non-resident aliens to inherit property in the state. That question was settled by this Court in *Blythe* v. *Hinckley*, 180 U.S. 333, 21 S.Ct. 390 (1901).

To strike this proviso would be to penalize the Nationals of the two favored nations and to deprive Mississippi of the unquestioned right to allow the Nationals to inherit. And we do not suggest such a course. Nor is it necessary to strike down the statute in its entirety.

Instead, the statute must be read in conjunction with the Treaty, which effectively adds, through its due process mandate, the Republic of Honduras to the statutory list of favored nations as if the statute had listed Honduras along with Syria and the Lebanese Republic.

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3. The Court, in *Terrace* v. *Thompson*, 263 U.S. 197, 44 S.Ct. 15 (1923), was careful to limit the permissible exclusion of non-resident aliens to enactments which treated *all* aliens *equally*, saying:

> "State legislation applying alike and equally to all aliens, withholding from them the right to own land, cannot be said to be capricious or to amount to an arbitrary deprivation of liberty or property, or to transgress the due process clause." (44 S.Ct. at 19).

As noted previously in this brief, much doubt has been cast upon the doctrine cited in support of *Terrace* v. *Thompson*, supra, even when all aliens are treated alike.

This, we submit, is the minimum to be afforded by the guaranteed due process of law to Honduran Nationals. Not only this, but the equalization of rights is mandated by regard for the recognized general purpose of treaties of amity and commerce to avoid injurious discrimination. As this Court held in *Todok* v. *Union State Bank of Harvard, Nebraska*, 281 U.S. 449, 50 S.Ct. 363 (1930):

> ". . . While treaties, in safeguarding important rights in the interest of reciprocal beneficial relations, may by their express terms afford a measure of protection to aliens which citizens of one or both of the parties may not be able to demand against their own government, the general purpose of treaties of amity and commerce is to avoid injurious discrimination in either country against the citizens of the other. . . ." (50 S.Ct. at 366).

This means of eliminating discrimination by giving effect to the Honduran Treaty as a part of the law of Mississippi does no violence to state policy. Since other non-resident aliens are allowed by statute to acquire land by inheritance, there obviously is no non-ownership policy against non-resident aliens per se. Cf. *Weinberger* v. *Wisenfeld*, 95 S.Ct. 1225 (1975).

It is only by construing the treaty protection guarantees to extend at least this far that due process may be assured. Anything less makes a mockery of the treaty promises of the "most constant protection and security for their persons and property".

The addition to a favored class of those impermissibly excluded by state laws has been a means of eliminating invidious discrimination in analogous situations. For example, relief has been afforded to citizens of foreign states under Article IV, Section 2, Clause 1, Constitution of the



United States, by extending a privilege allowed expressly only to citizens of a state to apply equally in favor of citizens of sister states. See *Quong Ham Wah Co.* v. *Industrial Accident Commission*, 192 Pac. 1021, 12 A.L.R. 1190, error dism. 255 U.S. 445, 41 S.Ct. 373 (Cal., 1920). Just as Article IV writes itself into state laws to extend the privileges granted to its own citizens to those of the several states, so, in this case, does the Treaty write itself into the law of Mississippi to require protection and equal security.

Cf. *Weinberger* v. *Wisenfeld*, 420 U.S. 636, 95 S.Ct. 1225 (1975) where social security survivor's benefits were extended to widowers although the Social Security Act expressly extended such benefits only to widows, reliance being placed for the decision on the equal protection aspect of the Fifth Amendment's due process requirement.

Our position is that the forfeiture imposed by the Fifth Circuit was not what the Treaty envisioned by the guarantees of Article I for the "most constant protection and security" for the property of Treaty Nationals and for due process and just compensation and, at best, violated the established canon applicable to treaties which requires a liberal construction in favor of Treaty claims by Nationals.

In *Factor* v. *Laubenheimer*, 290 U.S. 276, 54 S.Ct. 191 (1933), the Court followed a long line of its own decisions and announced:

> "In choosing between conflicting interpretation of a treaty obligation, a narrow and restricted construction is to be avoided as not consonant with the principles deemed controlling in the interpretation of international agreements. Considerations which should govern the diplomatic relations between nations, and the good faith of treaties, as well, require that their obligations should be liberally construed so as to effect

the apparent intention of the parties to secure equality and reciprocity between them. For that reason *if a treaty fairly admits of two constructions, one restricting the rights which may be claimed under it, and the other enlarging it, the more liberal construction is to be preferred.* Jordan v. Tashiro, 278 U.S. 123, 127, 49 S.Ct. 47, 73 L.Ed. 214; Geoffroy v. Riggs, 133 U.S. 258, 271, 10 S.Ct. 295, 33 L.Ed. 642; In re Ross, 140 U.S. 453, 475, 11 S.Ct. 897, 35 L.Ed. 581; Tucker v. Alexandroff, 183 U.S. 424, 437, 22 S.Ct. 195, 46 L.Ed. 264; Asakura v. Seattle, 265 U.S. 332, 44 S.Ct. 515, 68 L.Ed. 1041. . . ." (Emphasis added) (54 S.Ct. at 195-196).

Given a possible choice between constructions, this Court has frequently reannounced and consistently adhered to the canon and has always chosen the one avoiding restrictions and enlarging rights claimed under treaties. For example, see: *Havenstein* v. *Lynham,* 100 U.S. 483, 25 L.Ed. 1850 (1879); *Asakura* v. *City of Seattle,* 265 U.S. 332, 44 S.Ct. 515 (1924); *Jordan* v. *Tashiro,* 278 U.S. 123, 49 S.Ct. 47 (1928); and *Todok* v. *Union State Bank of Harvard, Nebraska,* 281 U.S. 449, 50 S.Ct. 363 (1930).

See also: *Bacardi Corporation of America* v. *Domenech,* 311 U.S. 150, 61 S.Ct. 219 (1940), for the most recent reannouncement of the rule of construction.

In *DeGeoffroy* v. *Riggs,* 133 U.S. 258, 10 S.Ct. 295 (1890), the Court held that protection of property was a fitting subject for negotiation between two countries and that the removal of disabilities "to hold, transfer, and inherit property in such cases, tends to promote amicable relations. Such removal has been, within the present century, the frequent subject of treaty arrangement." (10 S.Ct. at 296-297).



The citations could be multiplied but the foregoing illustrate the pattern for liberal construction in regard to property claims. Moreover, it is said in *Sullivan* v. *Kidd,* 254 U.S. 433, 41 S.Ct. 158 (1920):

". . . All parts of a treaty are to receive a reasonable construction with a view to giving a fair operation to the whole." (41 S.Ct. at 161).

## III. Intrusion of State Into Foreign Affairs to Be Avoided

By viewing the Mississippi statute as permitting discrimination against Honduran Nationals in the face of the "due process of law" requirements of the Treaty, the Court of Appeals has so construed the statute as to allow an intrusion by the state into the field of foreign affairs, which the Constitution entrusts to the President and the Congress.

The present case is not an instance where what Mississippi has done has only an incidental or indirect effect in foreign countries. Cf. *Clark* v. *Allen,* 331 U.S. 503, 67 S.Ct. 1431 (1947). Instead, it has the direct effect of depriving a Honduran National of her inheritance while allowing aliens of other even less federally favored nations to inherit and hold property without limitation, - a deprivation which the explicit "due process of law" treaty command prohibits.

This direct involvement of the state in choosing among citizens of foreign countries for favoritism in such a vital area as enjoyment of property rights is no less an intrusion into the field of foreign affairs than was the attempt by the state of Oregon, for example, to condition the right of inheritance by aliens in general upon the existence of reciprocal rights extended by the foreign country to United States citizens, as described by this Court in *Zschernig* v. *Miller,* 389 U.S. 429, 88 S.Ct. 664 (1968).

When Mississippi chose two countries to favor with the right to inherit and hold land without limitation, it necessarily launched some inquiry into the type of governments or the type of aliens which it considered worthy of favor and made its choice solely on the basis of favored national origin. A more direct involvement in foreign affairs is difficult to imagine. It is forcefully condemned in principle by *Zschernig* v. *Miller,* supra, wherein the Court said:

> "We do not accept the invitation to re-examine our ruling in Clark v. Allen. For we conclude that the history and operation of this Oregon statute make clear that § 111.070 is an intrusion by the State into the field of foreign affairs which the Constitution entrusts to the President and the Congress. See Hines v. Davidowitz, 312 U.S. 52, 63, 61 S.Ct. 399, 402, 85 L.Ed. 581." (88 S.Ct. at 666).

Also:

> ". . . The several States, of course, have traditionally regulated the descent and distribution of estates. But those regulations must give way if they impair the effective exercise of the Nation's foreign policy. . . ." (88 S.Ct. at 671).

Also:

> "The Oregon law does, indeed, illustrate the dangers which are involved if each State, speaking through its probate courts, is permitted to establish its own foreign policy." (88 S.Ct. at 671).

Specially concurring, Justice Stewart, joined by Justice Brennan, concluded:

> ". . . Of course state courts must routinely construe foreign law in the resolution of controversies properly before them, but here the courts of Oregon are thrust into these inquiries only because the Oregon Legislature has framed its inheritance laws to the prejudice of nations whose policies it disapproves and thus has trespassed upon an area where the Constitution contemplates that only the National Government shall operate. . . ." (88 S.Ct. at 671-672).



In *Hines* v. *Davidowitz,* 312 U.S. 52, 61 S.Ct. 399 (1941) the Court held invalid an Alien Registration Act adopted by Pennsylvania. This case was cited and followed in principle in *Zschernig* v. *Miller,* supra. The Court noted:

> "The importance of national power in all matters relating to foreign affairs and the inherent danger of state action in this field are clearly developed in Federalist papers No. 3, 4, 5, 42 and 80." (61 S.Ct. at 402).

Dealing specifically with discrimination against aliens, even in the absence of broad treaty guarantees, the Court remarked:

> ". . . In general, both treaties and international practices have been aimed at preventing injurious discrimination against aliens. . . ." (61 S.Ct. at 403).

We submit that this case is significant in its effect upon this Nation's foreign affairs and its relations with those countries with which it has negotiated treaties of friendship and commerce. Why Mississippi chose to favor Syria and the Lebanese Republic and to disfavor the Republic of Honduras must remain a mystery, but whatever the reason or lack of reason, this interference in the nation's foreign affairs should be corrected.

## CONCLUSION

The citizens of the Republic of Honduras were favored in a Treaty with the United States with a guarantee of the

most constant protection of their property by "due process of law", which includes freedom from invidious discrimination under state laws. Citizens of the United States were likewise favored in return with application of the very same protections for their property in Honduras. The Treaty paved a two-way street. Under that Treaty, the citizens of each country were assured "due process of law" within the territories of the other for its citizens.

Instead of due process of law, the Honduran National in this case has been subjected to the most flagrant adverse discrimination under the Fifth Circuit's construction of a statute of the state of Mississippi. Surely, this is not the "most constant protection" which the Honduran people were led to expect from their Treaty with the United States, where due process of law is a way of life and an example to all of the free world.

The "due process of law" provision of the Honduran Treaty is now unique, but it serves as a model for treaties to come. We respectfully urge the Court to grant review and to address the question of whether invidious discrimination is permissible under "due process of law" treaty mandates.

Respectfully submitted,

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# APPENDIX

# APPENDIX A

Dorotea Zaldivar V. De TENORIO,
Plaintiff,
v.
H. E. McGOWAN et al., Defendants.

Civ. A. No. 1608.

United States District Court,
S. D. Mississippi, E. D.

Oct. 1, 1973.

[364 F. Supp. 1051]

## OPINION OF THE COURT

DAN M. RUSSELL, Jr. Chief Judge.

Dorotea Zaldivar V. De Tenorio, a non-resident alien of the United States and a citizen of the Republic of Honduras, brought this action against numerous Mississippi residents and non-residents, to confirm her title and interest in and to a 37 acre tract of land in Clarke County, Mississippi, more particularly described as:

> "All of the NW¼ of NE¼, less 3 acres in the SW¼ of NW¼ of NE¼, lying South of the Shubuta and Vossburg Road, all in Section 22, Township 1, Range 14 East, containing 37 acres, more or less, in Clark County, Mississippi,"

subject only to such outstanding oil, gas and mineral leases or royalty conveyances as may have been executed by her. Plaintiff claims that she inherited a one-half interest in said tract from her sister of the whole blood, one Maria Obdulia Zaldiver McGowan, widow and sole heir of E.

J. McGowan, deceased, the record owner of said tract prior to a 1968 state court confirmation of title suit in Clarke County, filed by H. E. McGowan, a defendant herein, and who was a brother of the aforesaid E. J. McGowan, deceased.

By an order of this Court, dated June 11, 1973, amending the pre-trial order of the same date, certain parties who failed to appear or participate in the pre-trial hearing were adjudged in default and their claims were cancelled and held for naught except as to any of said parties claiming through the aforesaid H. E. McGowan, deceased, or his assigns, in the event title in this action be confirmed in H. E. McGowan. These parties are Wiley Fairchild, Hattiesburg, Mississippi, a defendant to the original complaint and to the cross-complaint of H. E. McGowan, et al; J. L. Sellers, Hattiesburg, Mississippi, a defendant to the original complaint; Cecil E. Barnett, Laurel, Mississippi, and his assignee, Robert L. Thomsen, Jackson, Mississippi, defendants to the original complaint; Hess Pipeline Company, Wilmington, Delaware, a defendant to the original complaint; and Viking Oil Company, a Mississippi corporation, First Mississippi National Bank, Hattiesburg, Mississippi, John Bethea, Hattiesburg, Mississippi, and Anselmo Zaldivar, Hilario Zaldivar, Felipe Murillo Zaldivar, Adela Zaldivar, and Victor Zaldivar all of Puerto Cortes, Honduras, defendants to the cross-complaint of H. E. McGowan, et al.

The Court finds it unnecessary to detail in this opinion a recitation of all the various and numerous pleadings inasmuch as the aforesaid pre-trial order, as amended, succinctly and accurately reflects the alignment of the parties, the admitted matters and facts, pertinent documents, and the factual matters and legal issues in dispute. The trial of the case, heard to the Court, was confined



to the matters set out in the pre-trial order and the pleadings made pursuant thereto.

In the pre-trial order, it was admitted that all jurisdictional questions were resolved as a result of an opinion dated November 10, 1971 and order rendered thereon wherein the Court found that it had jurisdiction under 28 U.S.C. § 1331, this action involving a construction of a treaty of the United States.

## FACTS ESTABLISHED IN THE PRE-TRIAL ORDER

The 37 acre tract of land in Clarke County, Mississippi, described above, was patented by the United States of America to one Marmaduke Gardner in 1841 and by mesne conveyances became vested in E. J. McGowan, then of Clarke County, who acquired same as grantee in two warranty deeds namely: a deed from T. J. Evans dated November 17, 1911, recorded in Deed Book I-1 at page 197, conveying the N½ of NW¼ of NE¼, and the SW¼ of NW¼ of NE¼, less 3 acres in Section 22, T 1, R 14 E, containing 27 acres, more or less; and a deed from J. W. McGowan dated December 15, 1915, recorded in Deed Book I-1 at Page 196, conveying the SE¼ of NW¼ of NE¼, in the same section, township and range, containing 10 acres, more or less, both of said deeds being filed for record on December 20, 1915, and recorded thereafter in the deed records of the Chancery Clerk of Clarke County. Copies of these deeds are exhibits herein.

About 1911, E. J. (Elbert John) McGowan went to Central America where he thereafter resided and worked in various Central American countries, including Panama and Honduras. He was lawfully married to Maria Obdulia Zaldivar, born in Honduras of Honduran parents. This marriage continued until the death of E. J. McGowan.

There were no children born of this marriage. E. J. McGowan and his wife took into their home and reared a child, Elsie Reina McGowan,[1] who was not their natural child, nor legally adopted by them, nor an heir at law of either E. J. McGowan or his wife. E. J. McGowan died intestate in the Republic of Panama on October 31, 1957 leaving as his sole heir at law, his wife, Maria Obdulia Zaldivar McGowan. She died intestate in the Republic of Honduras on February 28, 1969, without having remarried and without a child having been born to her and without having legally adopted a child. She was survived by one sister and one brother of the whole blood, namely a sister, Dorotea Zaldivar V. De Tenorio, plaintiff herein, and one brother, Felipe Murilla Zaldivar.[2] There were no other surviving brothers or sisters of the whole blood, or descendants of a brother or sister of the whole blood. The remaining brothers and sisters, viz:, Anselmo Zaldivar, Hilario Zaldivar, Adela Zaldivar and Victor Zaldivar, are of the half-blood, were named as defendants in the cross-complaint of H. E. McGowan, and have defaulted herein. Neither parent of Maria Obdulia Zaldivar McGowan survived her death. Nor did Maria Obdulia Zaldivar McGowan, widow of E. J. McGowan, ever renounce her Honduran citizenship. Although she resided in various localities with her husband, E. J. McGowan, a citizen of the

1. Elbert John McGowan, James Patrick McGowan and Louis Harold McGowan, minor children of Elsie Reina McGowan, deceased, by their legal guardian, Peter K. Smith, were named defendants in the original suit, answered, cross-claimed and challenged plaintiff's original claim to the entire fee, basing their claim to an interest in the realty through their mother, now deceased, as an allegedly acknowledged daughter of E. J. McGowan. They have abandoned this claim and claim an undivided one-half interest in the realty, subject to mineral leases and royalties, by virtue of a quit claim deed from Felipe Murrillo Zaldivar, brother of the whole blood of Maria Obdulia Zaldivar McGowan, the common source of plaintiff's claim.

2. See footnote No. 1.



United States, she remained a citizen of Honduras and died there.

After the death of E. J. McGowan, his brother, H. E. McGowan, received an official "Report of the Death of an American Citizen" from the Consul, American Foreign Service Panama. This report was produced on plaintiff's request and filed as an Exhibit herein.

Neither H. E. McGowan nor any member of the McGowan family communicated with Maria Obdulia Zaldivar McGowan upon or after the death of E. J. McGowan, or undertook to advise her concerning the estate of E. J. McGowan located in the United States. As stated above, Maria Obdulia Zaldivar McGowan died intestate in Honduras on February 28, 1969, leaving as her sole heirs at law, a sister, plaintiff, Dorotea Zaldivar V. De Tenorio, and a brother, Felipe Murillo Zaldivar.

On August 14, 1968, prior to the death of the widow of E. J. McGowan, defendant, H. E. McGowan filed in the Chancery Court of Clarke County, Mississippi, a confirmation suit, No. 7852 on the docket of that court, against his brothers and sisters, the widow of a deceased brother residing in Mississippi, and against "the unknown heirs, if any, of E. J. McGowan, deceased." A final decree was entered on October 22, 1968, vesting the fee title in H. E. McGowan, but no attempt was made to serve process or give notice to Maria Obdulia Zaldivar McGowan, then residing in Honduras. Copies of all pleadings in this suit are exhibits herein.

The Treaty of Friendship, Commerce and Consular Rights existing between the United States and the Republic of Honduras, a copy of which is an exhibit herein, was in effect during all relevant periods of time.

Plaintiff Dorotea Zaldivar V. De Tenorio has executed oil, gas and mineral leases to W. Baldwin Lloyd, brought into the case by cross-claims filed by some of the original defendants. His factual claims coincide with those of his lessor, the plaintiff, Dorotea Zaldivar V. De Tenorio, and are applicable to the one-half interest she claims in the realty, subject to the reservation therein of a royalty interest. These leases are recorded in Book OGL 66 at page 238 and in Book OGL 67 at page 237 in Clarke County and copies are exhibits herein. Felipe Murillo Zaldivar executed a deed covering his interest in the realty to Elbert John McGowan, James Patrick McGowan and Louis Harold McGowan, wards of Peter K. Smith, guardian of their estates, who, in turn, has executed oil, gas and mineral leases to Corsair Petroleum Corporation recorded in Book OGL 66 at pages 425, 427 and 429, retaining a royalty interest. These instruments, or certified copies, are exhibits herein.

Since the filing of the original complaint, Inexco Oil Company, a defendant herein, has drilled an oil well on a production unit including the 37 acre tract. Amoco Production Company, a defendant, is the operator of the well. The purchaser of the oil production is Miller Oil Purchasing Company, and the purchaser of the gas production is Tonkawa Gas Purchasing Company.

## PLEADINGS AND OTHER EVIDENCE

As a part of the pre-trial order plaintiff agreed to amend her complaint to reduce her claim to a one-half interest in the 37 acre tract, subject to the lease executed by her to W. Baldwin Lloyd, her title having been derived by inheritance through her sister, Maria Obdulia Zaldivar McGowan, who was survived by two and only two heirs, namely, the plaintiff, sister of the whole blood, and Felipe



Murillo Zaldivar, brother of the whole blood. Plaintiff agreed to further amend her complaint to allege that since the initiation of this suit, a well has been drilled on an 80 acre unit which includes the land in controversy; that the well is now and has for some time been producing oil and gas; that the well was drilled by defendant, Inexco Oil Company, but is now being operated by the defendant, Amoco Production Company, who is selling the oil and gas production, and that plaintiff is entitled to a full accounting and to a judgment for the proceeds accruing to her interest in the oil and gas produced and sold from said producing well and to the appointment of a Receiver to receive and invest the said proceeds pending termination of this litigation.

W. Baldwin Lloyd, holding a 7/8ths leasehold interest under leases from the plaintiff, Dorotea Zaldivar V. De Tenorio, agreed to amend his pleadings in line with the claim of his lessor.

Peter K. Smith, Guardian; Corsair Petroleum Corporation; Paul M. Neville, individually and as trustee; W. C. Falkenheimer, J. Logan Sewell, James F. Conn, and Alice B. Scroggins agreed to amend their pleadings to concede that a one-half interest was cast by inheritance upon Dorotea Zaldivar V. De Tenorio and to allege that the remaining one-half interest was cast by inheritance upon Felipe Murillo Zaldivar, who conveyed to the aforesaid wards of Peter K. Smith, guardian, through whom the remaining parties, next listed above, claim their titles and interests. The guardian and these parties also demand a full accounting and a judgment for the proceeds of oil production accruing to their interests.

These amendments have been made, and responses have been duly filed by the following defendants and cross-plaintiffs: H. E. McGowan, Hazel Draughon Mc-

Gowan, Charles B. McGowan, Louise McGowan Hannah, M. M. McGowan, B. C. Burns, Sr., H. D. Burns, Sr., Blanche W. White, Inexco Oil Company, Pan American Petroleum Corporation, Amoco Production Company, Love Petroleum Company, James M. White and T. Carleton Billups.

All parties to the pre-trial order agreed that all exhibits introduced by the plaintiff and Peter K. Smith, would be applicable to the case for the plaintiff, Dorotea Zaldivar V. De Tenorio; cross-defendant, W. Baldwin Lloyd; and defendants Peter K. Smith, Guardian of Elbert John McGowan, James Patrick McGowan, and Louis Harold McGowan; Corsair Petroleum Corporation; Paul M. Neville, individually and as trustee; W. C. Falkenheimer, J. Logan Sewall, James F. Conn and Alice B. Scoggins.

The parties agreed that all exhibits introduced by defendant, H. E. McGowan, would be applicable to his case and also to other defendants, namely, Hazel Draughon McGowan; Charles B. McGowan; Louise McGowan Hannah; M. M. McGowan; B. C. Burns, Sr; H. D. Burns, Sr; Blanche N. White; Inexco Oil Company; Pan American Petroleum Corporation; Amoco Production Company; Love Petroleum Company; James W. White; and T. Carleton Billups.

Plaintiff, Dorotea Zaldivar V. De Tenorio, appeared and testified. She spoke no English and testified through a Spanish interpreter. She stated that she was born in 1905 in the Republic of Honduras and has remained a Honduran citizen. Her parents, Phillipe Murillo and Perfecta Zaldivar died many years ago. She went to school through the fifth grade in the small town of Trisagio, close to Puerto Cortes, Honduras. Obdulia was her older sister by two years and died in 1969 in Puerto Cortes. She and Obdulia lived together for many years both before and after the death of E. J. McGowan. The witness first



met E. J. McGowan in Guanchia, Honduras, prior to his marriage to Obdulia. The witness often visited them by train. She stated that E. J. McGowan married her sister in 1940 in Costa Rica. Obdulia was then 37 years of age. After E. J.'s death in Panama, Obdulia returned to Honduras and lived with the witness until her death. During this time the sisters saw and talked with each other every day. They knew nothing of the United States or E. J.'s life in the State of Mississippi, or that he owned property there. Obdulia spoke very little English. She and her husband conversed in Spanish which he spoke very well. The witness said she never heard them discuss with each other his property in Mississippi. Nor did she or her sister know anything of the treaty between the United States and Honduras. On cross-examination, the witness said she first learned of her interest in the tract involved herein about four years prior to the trial date, being about two years after her sister's death, when she was visited by some people from the United States. She had a snapshot in her purse, and identified it with a man in the courtroom whose name she did not know. She also identified her brother, Felipe Murillo Zaldivar, in the picture, and stated that he is now residing in Guatemala. She recognized her signature on the oil and gas leases which she executed in favor of W. Baldwin Lloyd, and said that her Louisiana attorney, an Honduran, interpreted and explained the leases to her.

As agreed in the pre-trial order filed in this cause, plaintiff introduced as exhibits certified copies of the following: (1) United States Patent No. 470 from the United States of America to Marmaduke Gardner; (2) warranty deed from T. J. Evans to E. J. McGowan; (3) warranty deed from J. W. McGowan to E. J. McGowan; (4) deed of trust signed by E. J. McGowan, H. E. McGowan and

J. W. McGowan, dated December 18, 1915, in which E. J. McGowan was recognized as the owner of the tract involved herein; (5) a mineral lease to J. E. Toney, Trustee, dated December 26, 1939, a purportedly signed by E. J. McGowan; (6) "Report of the Death of an American Citizen," reflecting that a copy was sent to Obdulia McGowan, Calle 5, Casa 6226, Juan Diaz, Panama, as wife of the deceased, and to H. E. McGowan, Vosburg, Mississippi, brother of the deceased; (7) original Passports—E. J. McGowan, U.S.A. No. 452298-1927 and U.S.A. No. 1061-1945; (8) original Passport—Obdulia C. de McGowan, Honduras, No. 12980-1951; (9) an original Oil, Gas and Mineral Lease, dated February 1, 1971, from Dorotea Zaldivar V. De Tenorio to W. Baldwin Lloyd; (10) an original Oil, Gas and Mineral Lease, dated March 20, 1971, from Dorotea Zaldivar V. De Tenorio to W. Baldwin Lloyd; (11) Treaty between the United States and Honduras; (12) Tax Assessment and Tax Receipt Information from 1909 through 1971 pertaining to the 37 acre tract; (13) Specimen tax receipts pertaining to the 37 acre tract; (14) Intestate succession proceedings of John Elbert McGowan in Spanish with an English translation; (15) that part of the complaint in H. E. McGowan v. Charles B. McGowan, et al., No. 7852 on the docket of the Chancery Court of Clarke County, Mississippi, deemed by plaintiffs to be an admission against interests. Defendants, having objected to the admission of a portion of the complaint, were allowed to introduce the entire record in said cause.

By agreement of the parties, Peter K. Smith, guardian, was permitted to introduce as exhibits certified copies of the following: (1) Decree Appointing Guardian in Cause Nos. 8315, 8316, and 8317, respectively, as docketed in the Chancery Court of Clarke County, Mississippi; (2) Decree Authorizing Guardian to Execute Oil, Gas and Mineral Lease in each of the above numbered cases; (3) an Oil, Gas and Mineral Lease, dated February 16, 1971, by Peter K. Smith on behalf of each minor ward, to Corsair Petroleum Corporation; (4) Assignment of Overriding Royalty Interest, dated February 25, 1971, by Corsair Petroleum Corporation, to Paul M. Neville; (5) Assignment of Overriding Royalty Interest, dated April 13, 1971, by Corsair Petroleum Corporation to W. C. Falkenheimer; (6) Assignment of Overriding Royalty Interest, dated February 22, 1971, by Corsair Petroleum Corporation to J. Logan Sewell; (7) Assignment of Overriding Royalty Interest, dated June 8, 1971, by Corsair Petroleum Corporation to James E. Conn; (8) Assignment of Overriding Royalty Interest, dated July 13, 1971, by Corsair Petroleum Corporation to Alice B. Scroggins; and (9) a quit claim deed dated May 3, 1971, from Felipe Murillo Zaldivar to Elbert John McGowan, James Patrick McGowan and Louis Harold McGowan.



At the conclusion of plaintiffs' case, the defendants moved to exclude the evidence and direct a verdict for the defendants on the grounds that plaintiffs failed to prove that the treaty between the United States and Honduras should be construed favorably to the non-resident alien plaintiff, and that plaintiffs had failed to overcome the affirmative defenses of the defendant contending that H. E. McGowan acquired the fee simple title to the 37 acre tract involved by virtue of the Clarke County confirmation of title suit based on more than ten years' adverse possession. The Court overruled the motion.

Defendants introduced into evidence certified copies of (1) a Panamanian Certificate pertaining to the Succession of Elbert John McGowan, Intestate, together with an English translation, for the purpose of showing that the Mississippi property was not included in the deceased's

estate; (2) an assignment, signed by J. D. Haynes, C. B. Brashier, H. E. McGowan, W. L. Bounds, and J. E. Toney, Sr., Trustee, on September 10, 1941, assigning "various gas and oil leases covering certain acreage owned by divers persons in Clarke County" to J. E. Toney, Sr.; and (3) the entire court file in H. E. McGowan v. Charles B. McGowan, et al., No. 7852, in the Chancery Court of Clarke County, Mississippi. Defendants also introduced into evidence, without objection, the depositions of Henry Ernest Culbreth, W. B. Holland, C. L. Sanders and Hayden Henson, long-time neighbors and friends of defendant, H. E. McGowan, who testified as to H. E. McGowan's management of the McGowan properties. Defendants offered into evidence the deposition of Judge M. M. McGowan, brother of H. E. McGowan, defendant. The deposition was objected to by plaintiffs and was marked for identification only, the objection being that M. M. McGowan was incompetent to testify against the interests of either E. J. McGowan, deceased, or Maria Obdulia Zaldivar McGowan, deceased, under Section 1690 of the Mississippi Code, commonly referred to as the "dead man's statute." M. M. McGowan has filed a disclaimer in this action avowing that he has no claim or interest in the 37 acre tract.

Defendants' only live witness was Mrs. C. L. Lightsey, daughter of defendant H. E. McGowan. She stated that he was ill at the time of the trial and unable to testify. Until her marriage, she lived with her parents, defendant H. E. McGowan and wife, on their Vosburg, Mississippi, farm, formerly owned by her grandfather, J. W. McGowan. She knew and was familiar with H. E. McGowan's brothers and sisters, except for E. J. McGowan, whom she saw one time in her life when he visited the Mississippi farm for a short time in 1936 on the death of J. W. McGowan. She is familiar with the land involved in this suit saying it was a quarter of a mile from her father's home. She



stated her father, for many years, had claimed this land and farmed it, and that, when E. J. McGowan left Mississippi in 1936, he told her father he would never be back. She stated that he did not return, and her first knowledge of him thereafter was when her father received the notice of his death from the American Consulate in Panama. As to a mineral lease, introduced into evidence as Plaintiffs' Exhibit 5, to J. E. Toney, Trustee, dated December 26, 1939, purportedly signed by E. J. McGowan, witnessed by H. E. McGowan and one G. W. Mason, and acknowledged before the Chancery Clerk of Clarke County, she stated that E. J. McGowan was not in Mississippi in 1939.[3] She did acknowledge that her father bought and sold oil leases for as long as she could remember, and had worked up a block of leases for Mr. Toney for which her father was paid ten cents an acre. The witness stated that for twenty years she had handled the payment of taxes for her father on his farm properties, including the two separate pieces composing the 37 acre tract. She admitted that the 27 acres acquired by E. J. McGowan from T. J. Evans in 1911 was assessed to E. J. McGowan in 1913, and continued to be assessed to E. J. McGowan until 1958, when it was assessed to E. J. McGowan Estate, and that in 1969 the assessment was changed to H. E. McGowan, her father, as the result of the state court confirmation suit. Although Plaintiffs' Exhibit 12, being a list of these assessments, reflects that the assessed owner paid the taxes, the witness said that the taxes had actually been paid by her father, and that in 1957 or 1958, she personally requested the Sheriff to change the assessment to her father. He refused. The remaining 10 acres, which E. J.

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3. By stipulation, the parties agreed that at the time this lease was recorded, the Chancery Clerk's office had no photostatic equipment, and that all handwriting in an instrument for recordation was in the handwriting of the Clerk.

McGowan acquired from his father, J. W. McGowan, are shown by Plaintiffs' Exhibit 12 to have been assessed to E. J. McGowan from 1913 to 1918; from 1921 to 1941 assessed to J. W. McGowan; and from 1942 to 1971 assessed to J. W. McGowan Estate. The exhibit does not reflect that this assessment has ever been changed to H. E. McGowan. It does reflect that the taxes in 1957 and 1958 and from 1964 to 1971 have been paid by H. E. McGowan, which the witness said she paid in her father's name. On cross-examination, the witness stated that from the time of the death of her grandfather, J. W. McGowan, in 1936, her father, H. E. McGowan, has managed the family properties, including his own property, the home place which he acquired from J. W. McGowan, and including the 37 acres owned by E. J. McGowan; that her father farmed on the land through tenants and treated all as one farm unit. She admitted that her father had never remunerated any moneys to E. J. McGowan for the use of the 37 acres, but that neither had E. J. McGowan ever paid a dime on the taxes.

The four neighbors of H. E. McGowan, whose depositions were taken by the defendants, testified generally that each had known the McGowan family for many years; that E. J. McGowan, after going to Central America in 1911, had returned to the United States, no more than twice, the last time being in 1936 when his father died; that H. E. McGowan had farmed all the McGowan properties as one unit, including the 37 acre tract involved herein, and had maintained same under fence. They were not familiar with the record title, nor the manner in which the taxes were assessed or paid.

## CONCLUSIONS

There are three basic issues in this case. Plaintiffs contend (1) that E. J. McGowan's title was not lost by



the claimed adverse possession of H. E. McGowan; (2) that, in the absence of state court process to E. J. McGowan's widow, her heirs are not barred by the state court condemnation suit; and (3) a liberal interpretation of the Treaty between the United States and the Republic of Honduras does not require a forfeiture of the widow's interest by her failure to sell her interest prior to her death in 1969. The defendants contest each of these assertions, and, in their pleadings, additionally asserted a parol gift of the property from E. J. McGowan to H. E. McGowan in 1936 and claimed that the non-resident aliens are precluded from acquiring title to land in Mississippi by state statute. As to the latter claim, this Court, in an opinion by Judge Walter L. Nixon, Jr., dated November 10, 1971, pointed out that treaty provisions which would produce different or conflicting results will prevail over local or state law. As to the claim of a parol gift, this Court finds that defendant, H. E. McGowan, wholly failed to overcome the burden of establishing such a gift by clear and convincing proof, much less by judicial determination until his confirmation suit. Aside from such allegation in his state court confirmation suit, this record is silent as to any evidence of such a gift. To the contrary, the signature of E. J. McGowan, witnessed by H. E. McGowan, on the 1939 mineral lease to J. E. Toney, Trustee, whether genuine or a forgery, belies the claim that the property was then owned by H. E. McGowan under any kind of title.

In his state court confirmation suit, H. E. McGowan averred, in part as follows:

> "Your Complainant would show that since the purchase of the land by the said E. J. McGowan from his uncle, T. J. Evans, in 1911 that he, your Complainant, has had the exclusive control, use, occupation

and management of the said land. That he farmed it each and every year, and never at any time attorned to his brother or paid him anything for the use thereof; neither was the same expected or required of him.

Complainant further says that he paid all ad valorem taxes upon the land and has paid the same since his brother purchased the land in 1911 when he was away from home working on the Panama Canal, as aforesaid. Thus, for fifty-seven years between 1911 and this date Complainant has paid all the taxes and had exclusive use of the same, farming, tilling or renting the same out for the purpose of farming and tilling at all times. However, Complainant admits that he was, between 1911 and 1936, performing all of these duties without claiming title to the land as a favor to his brother and for the use of the said lands.

Complainant would show that since the year 1936, a period of thirty-two years heretofore, he has been in the actual, exclusive, continuous, uninterrupted, adverse possession of said lands, claiming the same as his own, and each year keeping the land fenced and either farming it himself or through tenants, all of whom attorned to him, your Complainant. Your Complainant therefore claims and owns the land as his very own and has, as aforesaid, been in the open, notorious, continuous, exclusive, uninterrupted and hostile possession thereof as against the said E. J. McGowan or any unknown heirs who might claim through him."

The testimony and admissions of facts received in this case show conclusively that H. E. McGowan's management of the E. J. McGowan property was in the same manner as he managed his own from 1911 to 1968, the date of the confirmation suit. Nothing occurred to change



his fiduciary relationship to his brother until possibly the death of his brother in 1957 when, as H. E. McGowan alleged in his state court suit, he believed that his brother was not lawfully married despite having received consular notice of his brother's death with the widow's name and address appearing thereon. Certainly when one enters into possession of land with the permissive agreement of the record owner, the presumption is that the possession continues to be permissive and not hostile. Adverse possession entirely excludes the idea of a holding under the true owner. It is elementary that adverse possession cannot be permissive. Conversely, permissive possession cannot be adverse. As stated above, there is nothing in this record to change the admission of H. E. McGowan's permissive use and possession up to 1936 to that of adverse and hostile at least until 1957 when he received notice of his brother's death, if then. The possession necessary must be actual, open, adverse and hostile, as well as inconsistent with the existence of title in another. See 3 Am. Jur.2d, "Adverse Possession", Sec. 3, p. 83. See also Sec. 49, Ibid, wherein it is stated that permissive occupation of a family estate by one of the family is so usual, that acts of occupation thereof to show hostile possession as to strangers are not sufficient as to relatives, and in Sec. 147, Ibid, wherein it is stated that the existence of a family relationship between the parties will prevent or rebut a presumption of adverse holding.

As to plaintiffs' second claim, they contend that the default decree taken in H. E. McGowan's confirmation suit filed in 1968 based on a claim of adverse possession from 1936, the year E. J. McGowan returned to Central America, up to the time the suit was filed, was ineffective as to Maria Obdulia Zaldivar McGowan for lack of due process of law guaranteed by the Fifth and Fourteenth Amendments, citing, among other cases Robinson v. Hanra-

han, 409 U.S. 38, 93 S.Ct. 30, 34 L.Ed.2d 47. This Court agrees. Other than process had on named defendants, with their addresses given, which did not include Maria Obdulia McGowan, the remaining process was had by publication only, addressed to: "The unknown heirs, devisees and executors, if any, of E. J. McGowan, deceased, whose where abouts, places of residence, and post office addresses are unknown." This publication appeared once a week for three consecutive weeks in The Clarke County Tribune, a newspaper published in the town of Quitman, Clarke County, Mississippi. In Magnolia Textiles v. Gillis, 206 Miss. 797, 41 So.2d 6, the Mississippi Supreme Court cited with approval the general rule that all persons who are materially interested in the event or subject matter, without whom no effective judgment or decree can be rendered, should be made parties in a suit to quiet title, and quoted from Griffith's Mississippi Chancery Practice, Sec. 115 thusly: "In suits to cancel clouds the complainant . . . may proceed against those of his own choosing, subject to the requirement, of course, that when he chooses to attack a particular cloud or claim of title he should join all those interested in that specific and particular claim . . .". In Warren v. Clark, 230 Miss. 873, 94 So.2d 323, the Court reversed a lower court's decision for the complainant where the complainant failed to deraign title from a common source to necessary parties *and did not allege that he had joined all parties interested in the land so far as they were known to him and could be ascertained by diligent inquiry, and where owners of one of the tracts involved purchased from a common source and had not been made parties to the suit.* It is unfortunate here that H. E. McGowan believed his brother to be unmarried, and, although he had been informed of the widow's name and Panama address, made no effort to locate her, or have process directed to her by name at her last known



address. On the basis of the above stated facts and law, this Court finds that Maria Obdulia Zaldivar McGowan, living at the time of this suit and decree entered therein, was deprived of her right to due process and that the confirmation suit decree was ineffective as to her and her legal heirs. This finding and conclusion is based, of course, on the further finding that their rights were not cut off by the hereinafter discussed treaty.

Article I of the Treaty between the United States and Honduras contains in part the following:

> "The nationals of each High Contracting Party *shall enjoy freedom of access to the courts of justice of the other on conforming to the local laws, as well for the prosecution as for the defense of their rights, and in all degrees of jurisdiction established by law.*
>
> "The nationals of each High Contracting Party *shall receive* within the territories of the other, upon submitting to conditions imposed upon its nationals, *the most constant protection and security for their persons and property,* and shall enjoy in this respect that degree of protection that is required by international law. *Their property shall not be taken without due process of law and without payment of just compensation.* (Emphasis Added)."

Plaintiff relies heavily on a liberal construction of the emphasized portions as well as the emphasized portion of Article IV which is as follows:

> "Where, on the death of any person holding real or other immovable property or interests therein within the territories of one High Contracting Party, such property or interests therein would, by the laws of the country or by a testamentary disposition, descend or pass to a national of the other High Contracting

Party, whether resident or non-resident, were he not disqualified by the laws of the country where such property or interests therein is or are situated, *such national shall be allowed a term of three years in which to sell the same, this term to be reasonably prolonged if circumstances render it necessary. . . .*" (Emphasis Added).

Section 842 of the Mississippi Code of 1942 holds in part that non-resident aliens shall not hereafter acquire or hold land, and that all land held or acquired contrary to the statute shall escheat to the state. Aside from the statute, it is clear that under the common law of Mississippi a non-resident alien could not *inherit* lands from a resident citizen. See Scottish American Mortgage Co. v. Butler, 99 Miss. 56, 54 So. 666. An alien could take title by grant or devise, but not by descent. The statute further limits the rights of aliens, providing that they cannot acquire lands by any means, such as purchase or grant. Two exceptions to the statute for the benefit of aliens who are citizens of Syria or the Lebanese Republic are not involved herein. It is also clear that where there is a conflict between a treaty and the provisions of a state constitution or of a state statute, the treaty controls. As well as its statute, the provisions of the common law of the state may be suspended during the existence of a treaty inconsistent therewith. See 52 Am.Jur., "Treaties", Sec. 18, p. 816. Also see Clark v. Allen, 331 U.S. 503, 67 S.Ct. 1431, 91 L.Ed. 1633, which considered language in a treaty with Germany identical to that here with Honduras. Also in 52 Am.Jur., "Treaties", Sec. 22, p. 819 it is said that while in force treaties are the supreme law of the land for like statutes so they are declared by the United States Constitution. "They are to be executed in the utmost good faith, with a view to making



effective the purposes of the contracting parties." Ibid, at page 823, it is further said: "In the solemn treaties between nations it never can be presumed that either state intends to provide the means of perpetrating or protecting frauds, but all provisions are to be construed as intended to be applied to bona fide transactions. Treaties should be so construed as to uphold the sanctity of public faith." And again in the same authority, at page 825: "Liberality is one of the foremost of the rules of treaty interpretation. Indeed, treaties are construed more liberally than private agreements. It is the general rule of construction with respect to treaties that they shall be liberally construed so as to carry out the intention and purpose of the parties. Accordingly, where a treaty admits of two constructions, one restrictive of rights that may be claimed under it and the other favorable to them, the latter is to be preferred."

It is clear under the treaty involved herein that Maria Obdulia Zaldivar McGowan had the right to acquire realty in Mississippi by inheritance, notwithstanding the common law and statute of Mississippi to the contrary. It is not so clear that her next of kin were entitled to acquire this same inheritance when she died intestate. As to this point, in the absence of specific language in the treaty providing for this eventuality, the Court is inclined to construe the treaty liberally and hold that such heirs are entitled to the same protection under the treaty as their deceased kinswoman would have had. Nor does this Court have much judicial precedent to aid in determining under what circumstances the three year period for selling the property should be reasonably prolonged. The Court has, however, carefully weighed all of the circumstances and finds that the interest of E. J. McGowan's widow could not be divested from her in the absence of due process of law and without just compensation, both of which are guaranteed by the treaty. Otherwise is to declare a forfeiture which

is not favored in law. Maria Obdulia Zaldivar McGowan had no knowledge of the provisions of the treaty or any knowledge of her inheritance or the attempted divestiture. Similarly, her heirs, plaintiff and Felipe Murillo Zaldivar, had no knowledge. Until they were made aware of their interest, the circumstances were such as to require a prolongation of the three year period in which to divest themselves of their inherited interests. The brother, Felipe Murillo Zaldivar, has within a necessarily prolonged term divested himself in favor of the minor wards of Peter K. Smith, at one time in this action alleged to be the grandsons of E. J. Mc[illegible]n. The named plaintiff, Dorotea Zaldivar V. De Te[illegible] filed this suit within a reasonable time of her know[illegible].

The Court therefore finds that the named plaintiff, a resident citizen of Puerto Cortes, Honduras, is entitled to a one-half undivided interest in and to the 37 acre tract of land, more particularly described in the early part of this opinion, subject to mineral leases executed in favor of W. Baldwin Lloyd, as recorded in the records of the Chancery Clerk of Clarke County, Mississippi; and that the minor grantees of Felipe Murillo Zaldivar, wards of Peter K. Smith, Guardian, are entitled to and vested with the remaining one-half interest, subject to mineral leases they have conveyed, also of record in Clarke County.

The Court reserves for a later hearing the matter of an accounting of funds due the respective holders of oil and gas leases and royalty interests, and for further relief.

An appropriate order may be submitted, costs of court to be taxed equally between the two groups of opposing parties. The order may further provide, in the event of appeal, that this opinion and the order rendered thereon are final for purposes of appeal, further conditioned upon the giving of a suitable supersedeas bond by the appealing party or parties.



## APPENDIX B

Dorotea Zaldivar V. DE TENORIO,
Plaintiff-Appellee,

v.

H. E. McGOWAN et al.,
Defendants-Appellants.

No. 74-1082.

United States Court of Appeals,
Fifth Circuit.

March 19, 1975.

Citizen of Republic of Honduras brought action against Mississippi residents to confirm title and interest in 37 acres of land in Mississippi which she allegedly had inherited from her deceased sister, who in turn allegedly had inherited from her deceased husband, a United States citizen. The United States District Court for the Southern District of Mississippi, Dan M. Russell, Jr., Chief Judge, rendered judgment for the Honduran citizen, 364 F.Supp. 1051, and defendants appealed. The Court of Appeals, Coleman, Circuit Judge, held that under the 1928 treaty with Honduras, where the Honduran widow of the United States citizen property owner had failed to sell the inherited property within three years of husband's death, she had been represented by counsel during closing of her husband's affairs and, for 12 years after husband's death, she made no inquiry nor took any action to sell land, widow was deprived of any interest in the land; and that where defendant, who was widow's husband's brother, did not know of existence of widow until husband's death, and after husband's death, widow was vested with title to land

which her husband had formerly owned with sole power of disposition, subject to defeasance only in event of her failure to comply with terms of treaty, and defendant's interest was a vested remainder in the land, the interest of widow and defendant were mutually hostile, and thus defendant had no fiduciary duty to notify widow of her obligation to sell property within three years or lose her interest, particularly where defendant had no knowledge of treaty provisions.

Reversed and remanded.

Godbold, Circuit Judge, dissented and filed opinion.

**1. Treaties (Key) 11**

State statutory provision yields to any applicable provision of any valid treaty of United States with foreign country, since treaties constitute part of supreme law of the land. U.S.C.A.Const. art. 6, cl. 2.

**2. Treaties (Key) 8**

Provision of 1928 Treaty with Honduras that property of citizens of signatory should not be taken by other signatory without due process of law and without payment of just compensation refers to takings by respective signators from citizens of the other, and does not deprive courts of signators of jurisdiction to adjudicate property rights within their respective territories. Treaty with Honduras, art. 1, 45 Stat. 2618.

**3. Constitutional Law (Key) 278(1)**

Under 1928 Treaty with Honduras, where Honduran widow of United States citizen who owned property in Mississippi had failed to sell inherited property within three years of husband's death, fact that Treaty would operate to deprive widow of interest in property absent



showing of circumstances making it necessary to extend time for sale did not deprive widow of due process. Treaty with Honduras, art. 1, 45 Stat. 2618; U.S.C.A.Const. Amends. 5, 14.

**4. Treaties (Key) 8**

"Circumstances rendering the action unnecessary," in purview of provision of 1928 Treaty with Honduras whereby citizen of signatory who inherits real or other immovable property in other signatory has term of three years in which to sell property unless circumstances render it necessary to prolong term for reasonable period, means circumstances existing during three-year period, such as inability to satisfactorily clear title, inability to sell for fair market value, willful frustration of effort to sell, or like events. Treaty with Honduras, art. 4, 45 Stat. 2618.

**5. Records (Key) 19**

Under Mississippi law, once deed of conveyance is lodged with proper officer for public record in county where land is located, it is from that moment constructive notice to the world.

**6. Treaties (Key) 8**

Under 1928 Treaty with Honduras, where Honduran widow of United States citizen who owned property in Mississippi had failed to sell inherited property within three years of husband's death, she had been represented by counsel during closing of her husband's affairs in Honduras, and, in 12-year period from husband's death to her own death, widow made no inquiry nor took any action to sell land, there were no circumstances necessitating prolongation of the three-year period and widow, after the three years, had no interest in the land. Treaty with Honduras, art. 4, 45 Stat. 2618.

**7. Trusts (Key) 102(1)**

Where, by operation of 1928 Treaty with Honduras, Honduran widow of United States citizen who owned property in Mississippi was vested with title to land which her husband had formerly owned with sole power of disposition subject to defeasance only in event of her failure to sell land within three years, and husband's brother, a Mississippi resident, had vested remainder, brother did not know of existence of widow until husband's death, and brother had no knowledge of provisions of Treaty, brother had no fiduciary duty to widow to advise her as to the existence of the land or the provisions of Treaty. Treaty with Honduras, art. 4, 45 Stat. 2618.

**8. Trusts (Key) 30½(2)**

Where brother of Mississippi landowner who moved to Central America had used land for some 20 years with landowner's permission, use did not create trust for benefit of landowner's widow who inherited land from landowner, but who, under 1928 Treaty with Honduras, lost interest in property by failing to sell it within three years of landowner's death. Treaty with Honduras, art. 4, 45 Stat. 2618.

**9. Landlord and Tenant (Key) 118(1), 119(1)**

Where brother of Mississippi landowner who moved to Central America used land uninterruptedly for some 20 years without objection by landowner, and brother acknowledged landowner's ownership of land in number of ways, including, failing to ask that tax assessment be changed to him as owner, and subscribing as witness to oil and gas lease purportedly executed by landowner, brother was mere tenant at will or sufferance.

**10. Aliens (Key) 9**

Under Mississippi law, real property could not be inherited by Central American aliens. Code Miss.1942, § 842.



**11. Constitutional Law (Key) 210**

Resident aliens who are lawfully in United States are entitled to equal protection of the law. U.S.C.A.Const. Amend. 14.

**12. Constitutional Law (Key) 210**

Fourteenth Amendment has no application to aliens not within jurisdiction of United States. U.S.C.A.Const. Amend. 14.

**13. Descent and Distribution (Key) 8**
**Escheat (Key) 3**

Under Mississippi law, where Honduran widow of United States citizen who owned property in Mississippi failed to sell inherited property within three years of husband's death, and thereby lost interest in property by operation of 1928 Treaty with Honduras, property passed to nearest nonalien heir and did not escheat to state. Code Miss.1972, §§ 89-1-23, 89-11-1, 91-1-3; Treaty with Honduras, art. 4, 45 Stat. 2618.

**14. Forfeitures (Key) 1**

One found to be without title to land is not victim of forfeiture since he had nothing to forfeit.

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Tally D. Riddell, Quitman, Miss., for McGowan et al.

Jack H. Ewing, Jackson, Miss., for Love Pet. Co., et al.

Herbert R. Ginsberg, Hattiesburg, Miss., for J. L. Sellers and W. Fairchild.

Paul M. Neville, Meridian, Miss., for Smith and Corsair Pet.

Thomas H. Watkins, Jackson, Miss., for Cecil Barnett.

Vardaman S. Dunn, Jackson, Miss., David A. Kattan, New Orleans, La., for plaintiff-appellee.

Appeal from the United States District Court for the Southern District of Mississippi.

Before COLEMAN, GODBOLD and RONEY, Circuit Judges.

COLEMAN, Circuit Judge.

This is an appeal by Hamilton E. McGowan, the defendant below, and a brother of Elbert J. McGowan, deceased, from a judgment vesting an undivided one-half interest in thirty-seven acres of land in Clarke County, Mississippi in Dorotea Zaldiver V. De Tenorio, a non-resident alien, De Tenorio v. McGowan, 364 F.Supp. 1051 (S.D. Miss., 1973). Appellee De Tenorio claims the land by inheritance from her deceased sister, who, in turn, allegedly inherited the land from her deceased husband, Elbert J. McGowan. Both appellee and her deceased sister had been and were resident citizens of the Republic of Honduras.

Appellant argues that the widow lost her interest in the land by failing to comply with the requirements of a 1928 Treaty between the United States and the Republic of Honduras. He asks that title be confirmed in the defendants-cross-complainants.

We reverse and remand.

## FACTS

In 1911, by deed of conveyance, Elbert J. McGowan became the owner of twenty-seven acres of land in Clarke County, Mississippi. In 1915 he acquired, by deed, ten additional acres. These parcels constitute the thirty-seven acres here in question.



Both deeds were properly recorded in the land deed records of Clarke County, Mississippi, on December 20, 1915. The District Court found that these conveyances vested E. J. McGowan with the fee simple *record* title to this land.

Between 1911 and 1914 E. J. McGowan left Mississippi and returned only twice, the last time in 1936. This was the last contact any member of the family is known to have had with him during his lifetime.

After leaving Mississippi, E. J. McGowan returned to Central America, where, in 1940, he married Maria Obdulia Zaldivar, of Honduran nationality. Although there originally were claims to the contrary, abandoned during the course of this litigation, no children were born of this union. E. J. McGowan remained a United States citizen, but died intestate on October 31, 1957, in the Republic of Panama.

Hamilton E. McGowan, of Vossburg, Mississippi, was a brother of Elbert J. McGowan. Elbert's United States passport designated Hamilton McGowan as the person to be notified in case of his death. In 1957, Hamilton was so notified by the United States Consul in Panama. This notification revealed that Elbert's effects had been placed in the hands of his widow, and listed other known relatives as two brothers, Hamilton E. McGowan, of Vossburg, and M. M. McGowan, of Jackson, Mississippi. After Elbert's death, no member of the family communicated with his widow or undertook to advise her concerning any land E. J. McGowan owned in the State of Mississippi. Neither did she, or her counsel, communicate with the McGowans. Silence reigned supreme on both sides.

In 1958, after the death of her husband, Maria Obdulia Zaldivar McGowan left Panama, went back to Honduras,

and lived there with her sister, the plaintiff-appellee here, until her death. While thus residing in the Republic of Honduras, Maria died intestate on February 28, 1969, without being remarried or having any children. At no time did she ever renounce her Honduran citizenship. She was survived by one sister, appellee De Tenorio, and one brother, Felipe. Maria's other brothers and sisters were of the half blood, and neither of her parents survived her death.

It is undisputed that the taxes on the lands in question were never paid by Elbert J. McGowan, but were always paid by his brother, Hamilton E. McGowan. In addition to paying the taxes, Hamilton E. McGowan used the land, retained the profits, and acknowledged his brother's ownership of the land in a number of ways, such as failing to have the tax assessment changed to him as owner and by subscribing as a witness to an oil and gas lease purportedly executed by E. J. McGowan in 1939.

In 1968, Hamilton E. McGowan filed suit in the Chancery Court of Clarke County, Mississippi, asserting title in himself by adverse possession and seeking confirmation of his alleged title to the land. Elbert's widow, Maria Obdulia Zaldivar McGowan, was living at the time in the Republic of Honduras, but she was not named as a party to the suit, nor was she served with notice or process. A decree was entered on the complaint by default. This decree was asserted by the defendants-appellants in the District Court as *res judicata*. The Court held that this decree was ineffective against Maria, Elbert McGowan's widow and appellee's sister, for lack of due process of law guaranteed by the Fifth and Fourteenth Amendments to the Constitution of the United States, and applicable under the terms of the Treaty between the United States and Honduras. This holding is not challenged on appeal. The District Court further held that Maria Obdulia Zaldivar McGowan's interest in the land formerly owned by her husband, Elbert, could not be divested from her in the absence of *due process of law* and *without just compensation*. It concluded by a "liberal interpretation" of the Treaty that Maria's heir, Dorotea, was entitled to the same protection.



## THE LAW

The applicable Mississippi statute, Section 842 of the Code of 1942 [now Section 89-1-23 of the Code of 1972, which goes back to Section 2439 of the Mississippi Code of 1892] provides:

> "Resident aliens may acquire and hold land, and may dispose of it and transmit it by descent, as citizens of the state may;
>
> but non-resident aliens shall not hereafter acquire or hold land * * *."

[1] This statutory provision yields, of course, to any applicable provision of any valid Treaty of the United States with a foreign country, constituting a part of the Supreme Law of the Land, United States Constitution, Article 6, Clause 2, Hauenstein v. Lynham, 100 U.S. 483, 25 L.Ed. 628 (1879); Clark v. Allen, 331 U.S. 503, 67 S.Ct. 1431, 91 L.Ed. 1633 (1947).

The pertinent portions of the 1928 Treaty with Honduras read as follows:

> "[*From*] *Article I*
>
> "The nationals of each High Contracting Party shall enjoy freedom of access to the courts of justice of the other on conforming to the local laws, as well for the prosecution as for the defense of their rights, and in all degrees of jurisdiction established by law.

"The nationals of each High Contracting Party shall receive within the territories of the other, upon submitting to conditions imposed upon its nationals, the most constant protection and security for their persons and property, and shall enjoy in this respect that degree of protection that is required by international law. Their property shall not be taken without due process of law and without payment of just compensation.

. . .

*"Article IV*

"Where, on the death of any person holding real or other immovable property or interests therein within the territories of one High Contracting Party, and such property or interests therein would, by the laws of the country or by a testamentary disposition, descend or pass to a national of the other High Contracting Party, whether resident or non-resident, were he not disqualified by the laws of the country where such property or interests therein is or are situated, such national shall be allowed a term of three years in which to sell the same, this term to be reasonably prolonged if circumstances render it necessary. . . ."

By the express provisions of the Treaty, McGowan's widow had until October 31, 1960, in which to sell the thirty-seven acres of land in Clarke County. The term for the exercise of that right might "be reasonably prolonged if circumstances *render it necessary.*" (emphasis ours).

Prior to the cut off date, Mrs. McGowan took no action to sell the property, nor did she do so during the ensuing nine years. Indeed, although the record shows that Mrs. McGowan, the widow, was represented by counsel in closing her husband's affairs she died without making any inquiry or taking any action to sell the land.



The case, then, is reduced to whether under the Treaty the sister was entitled to a "reasonable prolongation" of the sale period, *rendered necessary by the circumstances.*

The District Court resolved the issue in the following manner, 364 F.Supp. at 1062:

"It is clear under the treaty involved herein that Maria Obdulia Zaldivar McGowan had the right to acquire realty in Mississippi by inheritance, notwithstanding the common law and statute of Mississippi to the contrary. It is not so clear that her next of kin were entitled to acquire this same inheritance when she died intestate. As to this point, in the absence of specific language in the treaty providing for this eventuality, the Court is inclined to construe the treaty liberally and hold that such heirs are entitled to the same protection under the treaty as their deceased kinswoman would have had. Nor does this Court have much judicial precedent to aid in determining under what circumstances the three year period for selling the property should be reasonably prolonged. The Court has, however, carefully weighed all of the circumstances and finds that the interest of E. J. McGowan's widow *could not be divested from her in the absence of due process of law and without just compensation, both of which are guaranteed by the treaty. Otherwise is to declare a forfeiture which is not favored in law.* (emphasis added). Maria Obdulia Zaldivar McGowan had no knowledge of the provisions of the treaty or any knowledge of her inheritance or the attempted divestiture. Similarly, her heirs, plaintiff and Felipe Murrillo Zaldivar, had no knowledge. *Until they were made aware of their*

*interest, the circumstances were such as to require a prolongation of the three year period in which to divest themselves of their inherited interests.* (emphasis added). The brother, Felipe Murrillo Zaldivar, has within a necessarily prolonged term divested himself in favor of the minor wards of Peter K. Smith, at one time in this action alleged to be the grandsons of E. J. McGowan. The named plaintiff, Dorotea Zaldivar V. De Tenorio, filed this suit within a reasonable time of her knowledge.

"The Court therefore finds that the named plaintiff, a resident citizen of Puerto Cortes, Honduras, is entitled to a one-half undivided interest in and to the 37 acre tract of land * * *."

We construe the decision to stand for the proposition that the three year limitation of the Treaty is inoperative unless someone, somewhere, someway, gave Mrs. McGowan actual notice of her ownership and warned her of the Treaty limitation. At least, such was required to obviate the element of "a reasonable prolongation" if "circumstances render it necessary". The Treaty, of course, contains no such command. The additional elements of the decision are that she could not be deprived of her property without "due process of law" and "reasonable compensation". The decision does not hold that Hamilton McGowan's status as a "fiduciary" required him to give actual notice to the widow of his deceased brother. The laws of Mississippi flatly provided that the Widow McGowan could not inherit the land. The record is totally devoid of the slightest suggestion that Hamilton McGowan had ever heard of the Honduran Treaty of 1928.

Upon briefs and oral argument, our reaction to questions concerning "construction of the Treaty" is that mat-



ters of construction arise only when the language of a document is reasonably susceptible to more than one interpretation. The District Court, and the parties, have frequently alluded to paucity of precedent involving the Treaty language involved in this litigation. A reasonable explanation for this is that the language is quite plain and clear, obviating the necessity for frequent or extensive interpretation by the Courts.

[2] The language in the last sentence of the fourth paragraph of Article I, reads, "Their property shall not be taken without due process of law and without payment of just compensation." This obviously refers to one of the contracting powers taking property from the citizen of the other. This is so because private parties, personal or corporate, have never had the right to take property from another. Consequently, this limitation must be construed as referring to takings by the respective signators to the Treaty from citizens of the other. The litigation now before us does not involve expropriation, eminent domain, or any similar taking of property by governmental action. Accordingly we are unable to see how the due process feature enters this case except for Hamilton's futile suit to acquire title, in which he obviously failed to give the notice required by Mississippi law. That failure may be explained by his ignorance, and that of his counsel, of the Honduran Treaty. Under state law, Mrs. McGowan in Honduras was clearly not a party in interest.

[3] The Treaty nowhere hints or suggests that the Courts of the respective sovereigns are to be deprived of jurisdiction to adjudicate property rights within their respective territories. An appropriate judicial determination of title takes no property; it simply adjudicates where the title legally rests. This case deals with whether, in fact and in law, the widow of the deceased McGowan,

or her heirs, have any property interest in the thirty-seven acres of land. Obviously, if within the terms of the Treaty they had any property rights it was the duty of the District Court to so hold. If there were none, a similar duty existed. As to that, all the parties here had their full day in Court and there was no denial of due process. The due process argument, therefore, is irrelevant.

This remands us to the decisive factor in the case, the application of the pertinent provisions of Article IV, which, stripped of inapplicable language, might appropriately be defined as follows:

> "Where, on the death of any person holding real or other immovable property or interests therein within the territories of one High Contracting Party, * * * such national shall be allowed a term of three years in which to sell the same, this term to be reasonably prolonged if circumstances ,render it necessary. . . ."

[4] We construe "circumstances rendering the action necessary" to mean circumstances existing during the three year period, such as an inability to satisfactorily clear title, an inability to sell for fair market value, wilful frustration of the effort to sell, and like events.

We have already pointed out that from October 31, 1957 until February 28, 1969—eleven years and four months—Mrs. McGowan made no effort to take any action whatever, by sale or otherwise, with reference to the property inherited, with limitations, from her deceased husband.

On what theory is it to be held, then, that this long term of inaction, almost four times the primary term prescribed by the Treaty, may at this late date be judicially



prolonged as "a matter rendered necessary by the circumstances?"

The only reason advanced is that the Widow McGowan did not know of the property owned by her husband, did not know the rights conferred upon her by the Treaty, and Hamilton McGowan failed to inform her of it, although, as already stated, there is no proof that he, a layman residing in Mississippi, had any knowledge of the Treaty.

It seems likely that Mrs. McGowan did not know of the land, but the only proof to support this conclusion is the testimony of her sister, the present claimant to the property, who said that Mrs. McGowan never mentioned the existence of Mississippi or any property in it.[1]

Balanced against this is the fact that when her husband died in Panama, there was an intestate succession [administration] in that jurisdiction, in which the widow received all of her deceased husband's property in that jurisdiction, *and was represented by counsel.* Living with

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1. "Q. [by claimant's counsel]:

While the two of you were living together after Mr. McGowan's death, under the same roof, did Obdulia ever mention to you anything about the United States or any property in the United States?

"A. No.

"Q. Did she ever discuss with you or mention to you anything about the State of Mississippi?

"A. No.

"Q. Did Obdulia speak any English at all?

"A. No, very little.

"Q. When you heard Obdulia talking with Mr. McGowan in what language were they speaking?

"A. In Spanish. But he didn't pronounce the language very well.

"Q. Did you ever overhear any conversation or talk between Obdulia and Mr. McGowan about any properties in the United States?

"A. No."

her husband, an American, for eighteen years she is bound to have known that her husband had a United States passport, especially since the record indicates that she had one also. In any event, the Consular report of his death named her as his heir and named the two brothers and their addresses in Vossburg and Jackson, Mississippi, as surviving relatives. If the United States Consul obtained this information from some source other than the widow, who was the only person in Panama who could have told him of it, she at least was put on notice of it when she received as she did, a copy of the Consular report.

Conceding, however, that the widow knew nothing of the land owned by her husband the record leaves no room for doubt that she knew he had brothers in Mississippi and, if she was interested in the subject, that he might have land there.

[5] This inexorably brings us to the uniformly followed principle of Mississippi real property law that once a deed of conveyance is lodged with the proper officer *for public* record in the county where the land is located it is, from that moment, constructive notice to the world, Aultman v. Kelly, 236 Miss. 1, 109 So.2d 344 (1959); Frierson Building Supply v. Pritchard, 253 Miss. 541, 176 So.2d 301 (1965). The public land records are open to anyone who wishes to look. All her counsel had to do was make inquiry.

[6] Represented by counsel, as she was, in an estate which was formally administered in Panama, we must hold that Mrs. McGowan's failure over a period of nearly twelve years to have the records examined, or to make any inquiry whatever, although assisted by counsel, totally negates the existence of *circumstances necessitating* a prolongation of the three year period in which she had the clear right to sell this land and receive the proceeds.



To hold otherwise would be to say that the Treaty Makers intended that property rights within their respective jurisdiction may be left in limbo for so long as alien owners choose not to make inquiry as to the possible existence of title, open and available to the world. This could not further, but would damage, the property rights of the citizens of either jurisdiction, something they both had a duty to protect and no doubt intended to protect.

We are not altogether without precedent in the cases dealing with Treaty rights such as we now have before us.

A case similar to the one at bar is Miller v. Clausen, 8 Cir., 1924, 299 F. 723, appeal dismissed 269 U.S. 595, 46 S.Ct. 105, 70 L.Ed. 431 (1925). In *Miller,* one Andrew Hansen died in 1911 in the United States owning property here, leaving as his sole heir at law his father, Hans Christian Hansen, who was a resident and citizen of Germany. The United States had a Treaty with Germany similar to the one here involved, but with nothing comparable to Article I in the Honduran Treaty. Hans Christian Hansen, still in Germany, died in 1916. He left as his heirs brothers, sisters, nephews, and nieces. Only one of these heirs was a resident of the United States, i.e., Catharina Clausen. Thus, five years after he acquired an interest in the land from Andrew Hansen, Hans died without having made any conveyance thereof.

In 1919 the Alien Property Custodian seized the property. Catharina Clausen then filed a petition in the County Court in Nebraska to have herself declared the sole heir at law of Andrew Hansen and the Court so decreed. She then brought an action in the United States District Court against the Alien Property Custodian and the Treasurer of the United States to require delivery to her of the property. The other heirs of Hans Christian Hansen took

the position that they acquired title as heirs of Hans Christian Hansen. The Eighth Circuit held, however, that the only person who could acquire property through Andrew Hansen was Catharina Clausen, who acquired same as a direct heir of Andrew Hansen *and as the only one who was a resident* of the United States. The Court in so holding used the following language:

> "Therefore, on the death of Andrew Hansen, something less than a fee simple absolute, a base or qualified fee or a terminable fee vested in Hans Christian Hansen, and the remainder vested in Catharina Clausen, and after a reasonable time had elapsed without Hans Christian Hansen having availed himself of the rights given him by the treaty, there was a failure of the conditions imposed by the treaty, the title of Hans Christian Hansen failed by operation of law, the statute came into full force and effect, and the full fee-simple title vested in Catharina Clausen." 299 F., at 727.

Appellee De Tenorio distinguishes this holding by pointing out that the Treaty involved in *Miller* did not have a clause which prohibited the taking of property without due process of law and without payment of just compensation, as does Article I of the Treaty with Honduras. We have already disposed of this argument, *supra*.

[7] It is urged that under the facts of this case Hamilton McGowan was "fiduciary" to the widow of his deceased brother. For reasons quickly to be stated we hold that Hamilton was not a fiduciary to his former sister-in-law.

Prior to October 31, 1957, the date of Elbert's death, such a relationship could not have arisen because Elbert was the sole owner of the Clarke County property, acting



in his own right. Before Hamilton McGowan so much as knew of the existence of a sister-in-law (which was learned from the Consul's death report), the relationship had been dissolved when Elbert died childless, Wilbe Lumber Company v. Calhoun, 163 Miss. 80, 140 So. 680 (1932). Mrs. McGowan was an adult, not a lunatic, and personally a total stranger to her former brother-in-law. Neither before nor after October 31, 1957, did Hamilton McGowan see Mrs. Elbert McGowan or have the first word of communication with her, directly or indirectly, written or oral. In this set of circumstances a fiduciary relationship was totally nonexistent.

Neither did such a relationship arise from the conflicting interests of Hamilton and Mrs. Elbert McGowan in the title to the land. When Elbert drew his last breath on October 31, 1957, the widow was vested with title to the land which her husband had formerly owned, *with sole power of disposition*, subject to defeasance only in the event of her own failure to comply with the terms of the Honduran Treaty. On the other hand, Hamilton's interest in the land was a vested remainder, which Mrs. McGowan could defeat at pleasure by complying with the Treaty. See Mississippi College v. May, 235 Miss. 200, 108 So.2d 703 (1959).

[8, 9] Consequently, Hamilton McGowan was neither a tenant in common nor a joint tenant with his former sister-in-law. His interest conflicted with hers to the extent that he could only hope for title in fee if she failed to exercise her right of disposition in compliance with the Treaty. The fiduciary principles usually applicable to such tenancies in common simply did not apply here. In the total absence of an agreement to the contrary, the hostility of Hamilton's interest to that of his sister-in-law was the antithesis of a fiduciary relationship. No

law could require him to aid a total stranger to defeat his own title.[2]

[10] Neither does the fiduciary argument attribute proper significance to the indisputable fact that under Mississippi law real property could not be inherited by a Central American alien. If Hamilton McGowan acted in reliance on the Mississippi statute prohibiting inheritance of real property by aliens, and if he did not know of the Honduran Treaty, then he was guilty of no intentional dereliction for, in the absence of the Treaty, no duty could have existed. The record in this case is totally bare of any evidence of treaty knowledge on the part of Hamilton.

The legal brook in this litigation ultimately runs down to the proposition which the District Court seems to have adopted, that is, with no more communication or contact than he had with his former sister-in-law, the failure of Hamilton McGowan to give her actual notice of the existence of the land and of her Honduran Treaty rights establishes, within the terms of the Treaty, the required "necessity" for the prolongation of the specific three year term in which Mrs. McGowan could have freely sold the land. Indeed, the effect of the District Court judgment is that this "necessity" would continue until someone, somewhere, someway, should give actual notice to an alien inheritor of land, or to those who inherit from the original inheritor, and so on down the line.

Such a construction of the Treaty, where there are aliens in the chain of title would make a shambles of

2. We cannot agree that Hamilton McGowan's long and continued use of the land with his brother's permission created a trust, the obligations of which would pass to the permissive brother's widow. Under Mississippi law, McGowan was undoubtedly a mere tenant at will or sufferance. See St. Regis Pulp and Paper Corporation v. Floyd, 238 So.2d 740, 743 (1970), and the Mississippi cases there cited.



land titles. That is exactly what happened here. There was no effort to enforce the Treaty rights until an oil well had been brought in, whereupon the Treaty was dusted off in an effort to scramble the title, an eventuality which surely must have been beyond the anticipation of those who drafted, signed, and ratified the Treaty in an effort, for a reasonable time, to confer upon aliens a right which by state law was categorically denied.

Accordingly, we hold that the primary term in which Mrs. McGowan could have exercised the Treaty right of disposal expired on October 31, 1960; that during that time frame, and for the remaining eight years of her life, no existing necessity was claimed by her for the prolongation of the three year period. Neither have the subsequent heirs established any such necessity. The total inaction reflected by this record cannot, by some kind of judicial wand waving, be converted into "a necessity".

We need not reach or decide what rights Mrs. McGowan's heirs might have had if she had died during the three year period prescribed by the Treaty. She lived on until 1969, taking no action, under the Treaty or otherwise.

There are sundry other arguments which have not gone unnoticed.

Appellee turns the spotlight on Section 842 of the Mississippi Code of 1942, which allows non-resident alien citizens of Syria or the Lebanese Republic to inherit property from citizens or residents of Mississippi, but denies that right to all other non-resident aliens. Hence, she argues that the statute "denies to these selected aliens the equal protection of the law, contrary to the Fourteenth Amendment [and] constitutes an unconstitutional intrusion by the state into the field of foreign affairs which is entrusted to the President and Congress".

[11, 12] Resident aliens, lawfully in the United States, are undoubtedly entitled to the equal protection of the law, Graham v. Richardson, 403 U.S. 365, 91 S.Ct. 1848, 29 L.Ed.2d 534 (1971). It is equally obvious that the Fourteenth Amendment, by its own terms, has no application to aliens not within the jurisdiction of the United States.

> "Section 1. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws."

The Mississippi statute was not attacked in the District Court and there was no request that a three judge court be convened. In any event, when the statute was last amended, Chapter 237, Laws of Mississippi of 1940, it contained the usual severability clause [Section 4]. Additionally, if the statute, as presently written, were to be invalidated, necessitating a return to the previously existing valid statute[3] the legal status of the plaintiff-appellee as a non-resident alien would remain the same. To go a step further, if all the statutes were to be set aside, the status of the non-resident alien under the common law would prohibit her owning title to land in Mississippi, Scottish American Mortgage Company v. Butler, 99 Miss. 56, 54 So. 666 (1911).

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3. Lawrence v. Mississippi State Tax Commission, 162 Miss. 338, 137 So. 503; affirmed, 286 U.S. 276, 52 S.Ct. 556, 76 L.Ed. 1102, 87 A.L.R. 374.



[13] Appellee suggests that if she cannot acquire title to the land (for sale under the Treaty) then the property must necessarily escheat to the State. The Mississippi claimants to this property are parties to this litigation. We, therefore, point out that although § 89-1-23 Mississippi Code Ann., 1972, provides for all land acquired contrary to that section to escheat to the State, it must be read in conjunction with § 89-11-1 Mississippi Code Ann., 1972, which escheats property to the State when a person dies intestate *leaving no heir capable of inheriting the property* (emphasis added). Under Mississippi law the non-alien heirs had a vested remainder in the land, see Mississippi College v. May, *supra.*

In accord is 3 Am.Jur.2d, Aliens & Citizens, § 27, page 874:

> "It is a principle of the common law that while an alien cannot inherit, neither can he interrupt the descent of others, and therefore, if some of the persons answering the description of heirs are incapable of taking by reason of alienage, they are disregarded and the whole title vests in those heirs competent to take provided they are not compelled to trace their inheritance through an alien."

And, also, 27 Am.Jur.2d Escheat, § 12, page 880:

> "Incapacity of the heirs first entitled to succeed to property will not effect an escheat, but the property will pass to the persons next entitled to take as though the first heirs had not existed."

Appellee places great weight on Guiseppe v. Cozzani, 238 Miss. 273, 118 So.2d 189 (1960); 248 Miss. 588, 159 So.2d 278 (1964); and 193 So.2d 549 (1966). This case, which made three appearances in the Mississippi Supreme

Court, is distinguishable from the case at bar. *Guiseppe* involved tenants in common, some of whom were aliens living in Italy. Under the terms of a will left by a deceased in 1906, their rights accrued subject to a life estate which ended in 1933. In the first appeal, the Mississippi Supreme Court held that the complaint filed by the alien heirs was sufficient to state a cause of action and that the Chancery Court erred when it sustained the defendant's demurrer. At the second trial, no evidence was taken and the Supreme Court held on appeal that the lower court had abused its discretion when it refused to grant a continuance and dismissed the complaint with prejudice. On the third and final appeal, the Mississippi Supreme Court held that when the heirs in America filed an affidavit in Chancery Court that there were no living heirs in Italy, *knowing this to be false,* they perpetrated a concealed fraud on the Chancery Court and the alien relatives, and that the alien relatives were not barred by the adverse possession statute, § 15-1-9, Mississippi Code Ann., 1972, from maintaining the suit in equity. The case turned on fraud, not on an extension of time under a Treaty.

Under Mississippi law, when a person dies intestate and leaves no wife, children, or children of deceased children, any land owned in the State descends to his brothers, sisters, and parents in equal shares, § 91-1-3, Mississippi Code Ann., 1972.

[14] Appellee has extensively briefed this case as if it were one involving a forfeiture of property and the District Court alludes to forfeitures. We see it, however, as one to adjudicate title to property. In all such cases the true status of the title is decided. One found to be without title is not the victim of a forfeiture. He had nothing to forfeit.



The judgment of the District Court is reversed and the cause remanded to the District Court for further proceedings not inconsistent herewith.

Reversed and remanded.

GODBOLD, Circuit Judge (dissenting).

The central point of this case is the fact that Hamilton McGowan was a fiduciary for his brother and for his brother's widow. His status as fiduciary requires a conclusion that the interest of the widow is protected against his claim of title.

The terms of the treaty provide that the three-year period in which the widow must sell her interest is "reasonably prolonged if circumstances render it necessary."[1] In the circumstances of this case, where a fiduciary failed to inform his alien beneficiary of her interest in the property which was the subject of his fiduciary relationship, asserted title to the property in himself, and attempted to divest the widow of her interest by a state court proceeding without notice to her, it is necessary that the three-year period be "reasonably prolonged." A declaration that Hamilton holds the legal title subject to a constructive trust in favor of the widow, and that she must dispose of her equitable interest within a future time equal to that provided by the treaty, will fairly vindicate all interest in this case.

To permit Hamilton to neglect and abuse a familial-based fiduciary relationship as was done in this case and by doing so acquire title to the property which as fiduciary he was obligated to protect was too strong for the nostrils of an able and experienced trial judge. It is too strong for mine as well.

*1. Hamilton is a fiduciary.*

The District Court characterized Hamilton as a fiduciary. This factual conclusion of the trial court, necessarily determined on a case by case basis, is not plainly erroneous.

The law of fiduciary relationships is a creature of equity and gives effect to obligations of good conscience and fair dealings between persons who are in such relationship to each other that trust and confidence have been reposed by one to another, or both to each other. The underlying relationship may be what the Mississippi Supreme Court had called "conventional" in form, Ham v. Ham, 146 Miss. 161, 110 So. 583 at 584 (1926), that is, arising from familiar and defined legal relationships. These include trustee and beneficiary, agent and principal, guardian and ward, partners and joint venturers, life tenant and remainderman, executor or administrator and heirs, tenant and cotenant. Restatement of Trusts 2d[2] § 2(b); 2 Scott on Trusts (3d ed.)[3] § 170-21 at 1366 n. 2; 5 Scott § 495 at 3534. But, necessarily, the equitable concept of the fiduciary is not quickened by only those relationships formalized into precise "conventional" legal structures. "The relation and duties involved in it [a fiduciary relation] need not be legal, it [a fiduciary relation] may be moral, social, domestic, or merely personal." Ham v. Ham, *supra* at 584 (quoting 2 Pomeroy Equity Jurisprudence (4th ed.) § 956).[4]

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1. The District Court held that the heirs of the widow are entitled to the same protection as she would have had. No party questions this conclusion. For convenience I refer to the interests of widow and heirs as though the widow were still living.

2. Hereinafter "Restatement."

3. Hereinafter "Scott."

4. In *Ham* the persons involved were partners, but the court chose not to rely upon that "conventional" foundation but rather to look to their closer and more intimate relations.



Mississippi gives very broad scope to the equitable doctrine of the fiduciary and of constructive and resulting trusts that are means of enforcing the fiduciary's duties.

> [T]he relation [of fiduciary] is not restricted to such confined relations as trustee and beneficiary, partners, principal and agent, guardian and ward, managing directors and corporation, etc. Davis v. Hamlin, 108 Ill. 39, 48 Am.Rep. 541; Cushing v. Danforth, 76 Me. 114; 32 Am.Jur. 835, Sec. 991; Probst v. Hughes, 143 Okl. 11, 286 P. 875, 878, 69 A.L.R. 929. It applies to all persons who occupy a position out of which the duty of good faith ought in equity and good conscience to arise. "It is the nature of the relation which is to be regarded, and not the designation of the one filling the relation." Davis v. Hamlin, supra. In the Probst case, supra, the Court said: "* * * a trusteeship may arise by virtue of any relationship of the parties in which it may be said that the one occupying the position of trustee is in duty bound to act in the utmost good faith for the benefit of the other."
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> * * *
>
> "Wherever one person is placed in such a relation to another by the act or consent of that other, or by the act of a third person, or of the law, that he becomes interested for him, or interested with him, in any subject of property or business, he is in such a fiduciary relation with him that he is prohibited from acquiring rights in that subject antagonistic to the person with whose interests he has become associated."

Risk v. Risher, 197 Miss. 155, 19 So.2d 484 at 486-87 (1944) (sublessee negotiating new lease from lessor, held to be in a fiduciary relationship to the lessee-sublessor and to hold new lease as trustee for lessee-sublessor).

In Sojourner v. Sojourner, 247 Miss. 342, 153 So.2d 803 (1963), the complaint alleged that by informal and unwritten family agreement heirs to family property conveyed their interests to a brother on his promise to transfer it to his sister by deed or will after a fixed period of years. Upon his death after 11 years the sister claimed title as against the brother's widow, alleging that the widow had knowledge of the family arrangement. The complaint was held sufficient on fiduciary-constructive trust grounds. The court negatived the necessity for an "express" relationship and said:

> [A] constructive trust for fraud or wrong, being based on the equitable principle that no one can take advantage of his own wrong, exists in almost any case where there is a wrongful acquisition or detention of property to which another is entitled.

*Id.* at 808. *See also*: Adcock v. Merchants & Manufacturers Bank, 207 Miss. 448, 42 So.2d 427 (1949). Bank employee, managing, controlling and collecting rents on bank's land, title placed in his name for convenience, held a fiduciary and constructive trustee for bank; unnecessary to show fraud.

I turn to examination of the relationship between Hamilton and Elbert McGowan, recognizing that it need not, and possibly does not, fit precisely into the four corners of a "conventional" pigeonhole of the law. The beginning point is, of course, that the two were blood brothers. Elbert was absent in a foreign country, seldom returning home,[5] in no position to protect his interest in 37 acres of Mississippi land. Hamilton managed and farmed his own

5. Twice between 1911 and his death. In his passport Elbert showed Hamilton as the person to be notified in the event of his death.



and other family land adjacent or nearby, so it was natural that he be called upon to care for Elbert's two small tracts. The terms of the arrangement agreed upon with Elbert's land as subject matter are not in dispute. The District Court relied upon Hamilton's own description, made in his sworn complaint in the state title confirmation suit that he filed in 1968:

> Your Complainant would show that since the purchase of the land by the said E. J. McGowan from his uncle, T. J. Evans, in 1911 that he, your Complainant, has had the exclusive control, use, occupation and management of the said land. That he farmed it each and every year, and never at any time attorned to his brother or paid him anything for the use thereof; neither was the same expected or required of him.
>
> Complainant further says that he paid all ad valorem taxes upon the land and has paid the same since his brother purchased the land in 1911 when he was away from home working on the Panama Canal, as aforesaid. Thus, for fifty-seven years between 1911 and this date Complainant has paid all the taxes and had exclusive use of the same, farming, tilling or renting the same out for the purpose of farming and tilling at all times. However, Complainant admits that he was, between 1911 and 1936, performing all of these duties without claiming title to the land as a favor to his brother and for the use of the said lands.

For more than half a century Hamilton enjoyed the permissive use of the land, managing and farming it along with his own and other family land as a unit through tenants. He retained the profits, paid the taxes and, as Judge Coleman points out, acknowledged his brother's ownership of the land in a number of ways.

In Wofford v. Wofford, 244 Miss. 442, 142 So.2d 188 (1962), a son managed the real estate of his mother, exercising control over it, repairing buildings on it, and paying taxes on it. Subsequently he claimed to be owner of the property by virtue of a quitclaim deed from his mother and a tax deed pursuant to a sale for unpaid taxes. Though finding no actual fraud, the Mississippi Supreme Court held that he was a fiduciary for his mother. The court noted the holding in Ham v. Ham, *supra*, that had pointed out the existence of fiduciary relations other than those cast in "conventional" terms. It then held that the quitclaim deed was prima facie voidable and that the son had been unale to sustain his contention that it represented a gift. The tax deed was held to give no rights to the son:

> G. W. Wofford was managing the lands at that time for his mother. His relation to his mother at that time was that of a fiduciary; and it is well-settled that a business agent or other fiduciary charged with the management of his principal's property cannot purchase and retain a tax title to the property for his own benefit. Pomeroy's Equity Jurisprudence, Vol. 3, Fifth edition, p. 825, Sec. 959c, and cases cited.

142 So.2d at 197.

In Minor v. McDowell, 113 So. 576 (Miss.1927), a son managing his mother's plantation was held to be in an agent-principal relationship with her. In a second appeal of the same case, the Mississippi Supreme Court held:

> The relation between these parties as heretofore declared by the court was that of principal and agent. A cardinal requirement of that relationship is that the agent shall be at all times loyal and faithful to the interests of the principal, and he can acquire no private interest of his own in opposition to that of his principal. There is a fiduciary relation which forbids the agent in any manner to place himself of his own volition in a favored position as against the principal in respect to the transactions growing out of the relationship.



McDowell et al. v. Minor, 158 Miss. 788, 131 So. 278 at 280 (1930). Another principal-agent case is Van Zandt v. Van Zandt, 227 Miss. 528, 86 So.2d 466 (1956), discussed *infra*. *See also* Restatement of Agency § 389.

In Guiseppe v. Cozzani, 238 Miss. 273, 118 So.2d 189 (1960); 248 Miss. 588, 159 So.2d 278 (1964); and 193 So.2d 549 (Miss.1969), decedent died in 1896 leaving a life estate to his widow with remainder over to his nieces, nephews and a sister. The widow died in 1933. A niece residing in Mississippi conspired with her (the niece's) son to make herself sole owner to the exclusion of the other heirs, who were residents of Italy. The son petitioned to be appointed administrator of the estate, and in that petition and his subsequent petition to close that estate, made false representations the effect of which was that his mother was the sole person entitled to the property. He represented that his mother and decedent's sister named in the will were the only persons entitled to share in the estate and that the sister had died and after diligent search and inquiry he had ascertained that she had no living descendants. In fact he had made no search or inquiry. He represented that no other persons had any interest in the estate and that his mother was sole owner. He made no mention of the nieces and nephews in Italy. In 1958 ten Italian nieces and nephews filed suit 25 years after they became entitled to interests in the property. The Mississippi Supreme Court, reversing the trial court, considered two related issues: whether the interest of

the Italian heirs as cotenants had been cut off through adverse possession by the cotenant Mississippi niece, and whether the Italian heirs were barred from relief by the limitations period of § 710 of the Mississippi Code of 1942 [now § 15-1-9, Miss.Code Ann. 1972], which is extended by "concealed fraud." See 193 So.2d at 552-53, 554.

With respect to the first of these issues, the court held that the Mississippi niece was a tenant in common with the Italian nieces and nephews, and therefore in a fiduciary relationship with them which prevented her from holding by adverse possession without an "ouster" through actual knowledge to them of her adverse claim or through conduct so unequivocal that knowledge by those out of possession must be necessarily presumed. *Id.* at 553-54. As to the second issue, the court held there was concealed fraud, with the result that "these complainants are not barred from maintaining this suit in equity by virtue of the provisions of the Mississippi Code of 1942 Annotated, Section 710." *Id.* at 554. Thus the holding on the concealed fraud issue went to the timeliness of the suit. That holding does not purport to limit the right to relief against a fiduciary to situations in which he has committed concealed fraud. In Wofford v. Wofford, *supra*, the fiduciary was held liable although there was no fraud or misrepresentation. 142 So.2d at 194. *See also* Adcock v. Merchants & Manufacturers Bank, *supra*. In the instant case the District Court elected to use gentler words than fraud, but if fraud is a requisite it was present here.[6]

> [A]s between persons sustaining a fiduciary or trust or other confidential relationship toward each other, the person occupying the relation of fiduciary or of confidence is under a duty to reveal the facts to the plaintiff (the other party), and that his silence when he ought to speak, or his failure to disclose what he ought to disclose, is as much a fraud at law as an actual affirmative false representation or act. . . .

Van Zandt v. Van Zandt, 227 Miss. 528, 86 So.2d 466 at 470 (1956) (holding that a cotenant having powers of attorney from the other owners was their agent in consummating a sale of timber from the land and was a fiduciary, required to exercise loyalty and good faith and to report to his principals the fact of the sale and to pay over their share of the proceeds).

The response of appellants to the fiduciary issue is twofold. First, they say that Hamilton was not a manager as in *Wofford*, or an agent as in *Minor*, or a tenant in common and agent as in *Van Zandt*. Hamilton could be characterized as a "manager" as in *Wofford* though with fewer managerial duties and less stringent fiduciary obligations. One could describe him as an "agent" as in *Minor*, though with fewer duties as agent and fewer burdens as fiduciary. And he can be termed as "agent" as in *Van Zandt* though less formally authorized. But dialogue such as this misses the mark. The existence of fiduciary obligations is not limited to "conventional" forms and does not turn on rubrics. Ham v. Ham, *supra*; Risk v. Risher, *supra*; Sojourner v. Sojourner, *supra*. It is clear beyond cavil that if the same arrangement had been made but Hamilton were a cotenant with his brother, Hamilton owing 1/10 and Elbert 9/10, Hamilton would be a fiduciary.

> Because of the mutuality of their interests, possession and obligations, the relationship between cotenants is confidential and fiduciary in nature. Each has a duty to sustain, or at least not to assail, the common interest, and to sustain and protect the common title.

6. The facts that require a conclusion of fraud are dismissed in part 4, *infra*.

Nichols v. Gaddis and McLaurin, Inc., 222 Miss. 207, 75 So.2d 625, 629, 78 So.2d 471 (1974); *Guiseppe III, supra.* Lacking the 1/10, he is no less bound to deal fairly and honorably with his brother.

Appellants' second response is that if there were a fiduciary relationship it terminated upon Elbert's death and Hamilton owed no obligation to the widow. This is discussed in part 3, *infra.*

*2. Hamilton's obligations as fiduciary.*

Fiduciary relationships are of varying degrees of dignity, and some impose more stringent obligations than others. 5 Scott § 495 at 3534. We need not define the outer limits of Hamilton's obligations with respect to his absent brother and to the land that was the subject of their arrangement. At a minimum he was under several duties that dispose of this case. He was under a duty of loyalty to his brother, to act to Elbert's benefit and not to profit at his expense. Restatement §§ 2(b), 170 and Comment a; 1 Scott § 2.5 at 39; 5 Scott § 495 at 3534. He had a duty to administer the subject matter solely in Elbert's interest. Restatement § 170(1) and Comment a. He was under a duty to use reasonable care and skill to protect the property that was the res of the relationship. Restatement § 176; 2 Scott § 176. He may not compete with the beneficiary in the acquisition of property. 5 Scott § 504. It is but to state the obvious, to say that Hamilton could not in derogation of duties such as these claim as his own the land that was the subject matter of the relationship of trust and confidence.[7]

7. He could not even purchase the property at a sale, foreclosure or otherwise, even though he paid a fair consideration, because this would place in conflict his personal interest and his duty as fiduciary. Restatement § 170, Comment b; 1 Scott § 170.2. It would be strange indeed if, without paying anything, he could by silence maneuver himself into ownership of that which he could not purchase at a fair price.



A fiduciary who has acquired a benefit by a breach of his duty as fiduciary is under a duty of restitution to the beneficiary. Restatement of Restitution § 138.

A fiduciary is required to supply information to the beneficiary concerning administration of the trust only upon request. *See* Restatement § 173. But the law of trusts, embracing as it does both common sense and honorable dealings, applies a different rule where the fiduciary's personal interest collides with his duty to the beneficiary. If he deals with the beneficiary on his own account he is under a duty "to deal fairly with him and to communicate to him all material facts in connection with the transaction which the [fiduciary], knows or should know." Restatement § 170.[8] *See also* Van Zandt v. Van Zandt, quoted *supra.*

It is immaterial that Hamilton made no promise to Elbert of specific duties that he would carry out. The consequences of a fiduciary relationship flow from the relationship as a matter of law. 1 Scott § 2.5 at p. 40.

*3. Hamilton is a fiduciary for the widow.*

Appellant's second response to the District Court's view of Hamilton as a fiduciary is that even if he were under fiduciary obligations to his brother the relationship was terminated by Elbert's death, and Hamilton had no duty to the sister-in-law that his counsel describe as "a

8. The principles here involved are parallel to those of the law of adverse possession. One who has come into possession permissively must evidence his intent to claim adversely by acts of occupation sufficient to demonstrate hostile possession. As the trial judge noted in this case, permissive occupation is so usual by persons in familial relationships that acts which might be sufficient to demonstrate to strangers hostile possession may not be sufficient with respect to family members. Similarly, before a tenant can claim adversely against his cotenants there must be "ouster" by actual knowledge to the cotenants, or the equivalent. See discussion of *Guiseppe III*, in part 1, *supra.*

native Honduran woman" . . . "whom he never saw and only heard of through the [United States] Consul." This could not be more wrong. Upon the death of Elbert, his rights as the beneficiary of a fiduciary obligation descended to his widow in the same manner as did the land itself. Miss.CodeAnn. 1972, § 91-1-9; Restatement § 142.[9]

> If a beneficiary of a trust dies intestate, and if his interest does not terminate on his death, the devolution of his interest is governed by the same rules of descent and distribution as govern the descent and distribution of a corresponding legal interest. . . . [I]f the trust property is real estate, the interest of the beneficiary passes to his heirs. (Footnotes omitted.)

2 Scott § 142.

Hamilton continued in possession of the land, enjoying the use and profit, and assessing it in the name of the estate of which the widow was the sole beneficiary (subject to the "three-year plus reasonable prolongation" provision of the treaty). The courts have characterized in varying ways the precise interest of the alien in circumstances such as those before us. The appellants refer to it as a fee simple determinable.[10] Whatever its pre-

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9. Hamilton was a fiduciary with respect to the widow for another reason also. Although there was no administration of Elbert's estate in Mississippi and Hamilton had no status as representative thereof, he purported to act as representative. He changed the tax assessment to read "E. J. McGowan estate" and until 1968 taxes paid by him were shown on the records as received from that estate. Whatever his precise legal status, as the person in possession of the decedent's property pursuant to an agreement with the decedent and holding himself out as authorized to act on behalf of the estate, he was under fiduciary obligations to the heirs of that estate.

10. "There is much discussion in the cases as to the nature of the title which nonresident aliens held under the terms of this treaty. Some authorities denominate it a base or qualified fee, and others as a determinable fee. The terminology is not of controlling importance."

Pierson v. Lawler, 100 Neb. 783, 161 N.W. 419, 420 (1917).



cise character, the widow had an interest in the land, commencing at her husband's death and extending thereafter for three years plus any reasonable prolongation thereof. With respect to her interest Hamilton continued to be a fiduciary as he had been for her husband.

As with respect to Elbert, the maximum perimeters of Hamilton's obligations to the widow need not be marked. Under the narrowest, most minimal standards of faithfulness, fair dealing and the trust and confidence that undergird fiduciary relations, Hamilton was bound to notify her that he was a fiduciary of certain land in which she had a [fee simple determinable] interest and that she was now the beneficiary of the obligations which he owed with respect to the land and to the owner thereof. Notice to her and action by her was the only way in which the interest to which his obligations attached could be preserved from destruction, for he had no power to sell for her. He would have been obligated to give her notice of circumstances that might cause her to lose her rights to a stranger. "No one is required to watch the clerk's office to see that those in possession of property in privity with him or in subordination to his title are not acquiring rights adverse to him." Nichols v. Gaddis and McLaurin, *supra*, 75 So.2d at 633. Inarguably he was compelled to inform her that if she failed to timely act he intended to deal with the res for his own account and adversely to her by himself claiming as an heir of his brother. Van Zandt v. Van Zandt, 86 So.2d at 470, quoted *supra*; Restatement § 170(2).

The situation here is similar to that in which the subject matter of a fiduciary relationship is a leasehold interest. The fiduciary may not secure a renewal of the lease for his own benefit. Risk v. Risher, *supra*; 2 Scott § 170-21. Like a fiduciary-lessee in possession and seeking

a renewal for himself, Hamilton draws his right to possession from someone other than the beneficiary; also he made no effort to "evict" his beneficiary by terminating his relation with her during the "term"—in her case three years—but sought, and secured, through channels independent of her and without notice to her, the interest available upon the termination of her interest.

*4. Hamilton's breach of fiduciary obligations.*

From his brother's death in 1957 until this suit was filed in 1971, Hamilton made no attempt to communicate with the widow, although he had been informed of her status and her name and address by an official report sent to him in 1957 by the U.S. consul in Panama. His lame explanation that he didn't believe that his brother was married was no explanation at all, and the District Court so treated it. Even if he was unwilling to believe that his brother had married "a native Honduran woman," he knew the name, address and identity of the person who held herself out to be Elbert's wife, and who had been accepted by the United States Consul in Panama as Elbert's wife for purposes of the Consul's Report[11] and to whom his personal effects had been turned over.

The result in this case would be the same if Hamilton's failure to inform the widow were done without improper intent. But we are not left to guess at his intent. His daughter, an experienced businesswoman, handled payment of the taxes for him. Beginning around 1951 she had attempted, but unsuccessfully, to have the assessments changed from Elbert's name to her father's.

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11. Report of the Death of an American Citizen, Form FS-192. Under familiar evidentiary rules this official certificate would almost certainly be admissible in a court, against hearsay objections, to prove the truth of the matter asserted therein, a much higher threshold to pass than that for notice necessary to trigger the attention of a fiduciary.



In 1968 Hamilton filed his "confirmation suit" in Mississippi state court claiming title by adverse possession to the land. The District Judge referred to this as an "attempted divestiture of the widow". At no time had he given notice to the widow that he intended to claim adversely the land that for half a century he had held permissively. See footnote 8, *supra*. Hamilton named as parties to the suit his brothers and sisters, the widow of a deceased brother other than Elbert, and "unknown heirs, if any of E. J. McGowan." Elbert's widow was not named as a party. Process was had on various named defendants, their addresses having been given. The remaining process was by publication addressed to "unknown heirs, devisees and executors, if any of E. J. McGowan deceased, whose whereabouts, places of residence and post office addresses are unknown." At this time, the District Court found, Hamilton "made no effort to locate [the widow], or have process directed to her by name at her last known address." Also, as the trial judge found, he did not allege, as required by Mississippi law, Warren v. Clark, 230 Miss. 873, 94 So.2d 323 (1957), that he had joined all parties interested in the land so far as they were known to him and could be ascertained by diligent inquiry. Such an allegation would have been false.

Hamilton took a default judgment in the confirmation suit. The assessment to 27 of the 37 acres[12] was changed shortly thereafter from "E. J. McGowan estate" to Hamilton's name. Oil had been discovered on the land at a date not revealed by the record. Beginning in late 1958 and continuing to the filing of this suit Hamilton participated in a series of oil leases, royalty contracts, and similar documents relating to the property in question. Elbert's

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12. There is no explanation of why the assessment on the other ten acres was not changed.

widow died in 1969. Around 1970 the heirs of the widow, residents of Honduras, learned of the land through persons interested in oil development. Thereafter the widow's sister brought this suit. In the District Court Hamilton claimed a parol gift of the land but wholly failed to establish it, and the appellants have abandoned that claim.

The facts here are remarkably parallel to those in *Guiseppe*. There the nephews and nieces in Italy were uneducated people who knew nothing of the United States and its courts and legal records. The "native Honduran woman" of this case had a fifth grade education, and spoke little, if any, English and, so far the record discloses, knew nothing of her husband's 37 acres in Mississippi. In each case a knowledgeable resident was on the scene in Mississippi.[13] In both cases the resident with no notice to the distant members of his family, attempted to claim adversely to them. In both cases the resident employed state court procedures as a device to exclude his alien relatives. In *Guiseppe* the son affirmatively misrepresented in the state court suit. In this case Hamilton omitted an element of pleading that would have required that he reveal the facts or swear falsely. The Mississippi Supreme Court, in *Guiseppe III*, 193 So.2d at 553, treated with unconcealed disdain the failure of the resident to carry out his duty of diligently seeking out heirs in Italy.

The District Judge in this case found that the state court confirmation suit did not deprive the widow of her interest because as a matter of law Hamilton's permissive use and possession of the land was not adverse at least until 1957, and because due process was violated by failure to give her notice of the suit. The court then found with respect to the three-year period provided by treaty

13. For many years Hamilton, in addition to farming, had engaged in securing and putting together oil leases.



that "until [the widow and her heirs] were made aware of their interest, *the circumstances were such* as to require a prolongation of the three year period in which to divest themselves of their inherited interests" (emphasis added), and that plaintiff had filed this suit within a reasonable time after she learned of her interest.

As I understand Judge Coleman's analysis it is this: the widow loses, but not because of the judgment in the confirmation of title suit, the validity (or lack of) which he does not discuss. She loses because she failed to sell her interest within three years and it terminated by operation of law in 1960. Title fell like a ripe peach into the lap of Hamilton, not under the judgment in the confirmation suit but because he was the sole remaining heir of Elbert entitled to take.[14] Judge Coleman declines to "reasonably prolong" the three-year period because the widow knew that her husband had family in Mississippi and could have inquired, and, in any event, she was put on notice of her husband's ownership by the Mississippi public records.

Uniformly the courts agree that what is an allowable period in which the alien must dispose of his interest, whether under a statute calling for "reasonable time," or one calling for a term of years, with a "reasonable prolongation," requires case by case analysis of the circumstances. Scharpf v. Schmidt, 172 Ill. 255, 50 N.E. 182 (1898) (commencement of suit for partition two and a half years after alien's death held to comply with two years plus reasonable prolongation); Ahrens v. Ahrens, 144 Iowa 486, 123 N.W. 164 (1909) (50 years after alien's

14. Under § 91-1-3 Miss. Code Ann. 1972, the brothers and sisters of Elbert would inherit. Some or all of those other than Hamilton appear to have deeded their interests to him. In any event, the confirmation suit appears to have been valid with respect to them.

death held outside of "reasonable time" statute where no "excusing facts or circumstances" existed); Pierson v. Lawler, 100 Neb. 783, 161 N.W. 419 (1917) (same treaty provision as at bar, alien failed to prove circumstances showing necessity for prolongation of eight years). Fischer v. Sklenar, 101 Neb. 553, 163 N.W. 861 (1917), points out that the original and specific term of a treaty providing for such a term plus reasonable prolongation merely prevents the state from limiting the term to a shorter period. To refuse to permit such further time as is reasonable "would, for all practical purposes, render this [prolongation] provision of the treaty nugatory, while like any other instrument, it should be construed to give it practical effect rather than to make it ineffectual."[15] *Id.*

I find no other case involving similar treaty provisions in which the issue of breach of fiduciary relationships has been presented. In Miller v. Clausen, 299 F. 723 (CA8, 1924), relied upon by Judge Coleman, the decedent died in 1911, the owner of Nebraska land, leaving a sister Catharina, residing in Nebraska, and a father, brothers and sisters, and other kin, all residing in Germany. The father, Hans, died in 1916, having failed to exercise his treaty-given right to sell, which was for a reasonable time after the death of the decedent. The Alien Property Custodian seized the property in 1919. Catharina filed a petition in Nebraska state court in 1922 for a decree of heirship, and that court entered a decree that she was the only heir of decedent qualified to take title to the real estate.

15. Modern cases hold that after the treaty period has run its course the alien's estate is defeasible as against the state, and subject to be defeated by an action to declare the property escheated. Until the action is brought the alien retains the power to convey title good against the world. Dutton v. Donahue, 44 Wyo. 52, 8 P.2d 90 (1932); Abrams v. State, 45 Wash. 327, 88 P. 327 (1907); Louisville Ins. Co. v. Comm., 147 Ky. 72, 143 S.W. 1044 (1912).



She then sued the Alien Property Custodian for possession of the property. The Eighth Circuit rejected the Custodian's argument that Catharina took, if at all, by inheritance from the father so that his title having failed, she took nothing, and held that she took directly as the heir of decedent. No contention was made that Catharina was in a fiduciary relationship to her father or her German kin.[16]

The District Judge in this instance made the factual analysis that the case law requires, and found that the widow had no knowledge of: (a) the provisions of the treaty, (b) her inheritance, and (c) "the attempted divestiture" [by Hamilton], nor did her heirs have such knowledge. He concluded that a prolongation was required, and that it should extend until the heirs had knowledge of their interest. Without a tip of the hat to the plainly erroneous rule, Judge Coleman reverses these findings and holds that no extension was necessary.

His conclusion of no necessity for prolongation has two bases, the duty of the widow to inquire whether her husband owned Mississippi land and the constructive notice to her by the Mississippi recording statutes. The first founders upon the duty of the fiduciary-adverse claimant to tell her the facts. The recording act argument was advanced by the fiduciary in *Guiseppe* and rejected by the Mississippi Supreme Court.

> All of the nephews and nieces of Frank Toney, except Mary Cozzani, lived in the Republic of Italy, at the time of his death in 1896. They, thus, lived

16. Assuming the Custodian would have had standing to raise such an issue, there is no mention of any fiduciary relationship during decedent's lifetime and upon his death an administrator was appointed and took possession of the property, although Catharina was permitted to live on it.

> some 4,000 miles from the shores of the United States. They were uneducated people who knew nothing about the United States, its laws, its courts and its legal records. How could this Court or any court hold that these illiterate people, 4,000 miles away, were given actual notice or the equivalent thereof by the filing of pleadings and deeds in the Warren County Chancery Clerk's Office in Vicksburg, Mississippi?

*Guiseppe III*, *supra*, 193 So.2d at 554. We find no comparable case in which recording acts have even been considered as a relevant factor. Necessarily the cases will often concern aliens who by reasons of distance, family separation, language, and educational barriers, do not know of their interests in land in the United States and are delayed in learning. To give to the local recording acts the effect proposed by Judge Coleman substantially erodes the possibility for "reasonable prolongation" in such cases and makes the prolongation provision of limited utility. See Fischer v. Sklenar, *supra*.

The three-year provision of the treaty implements state policies against alien ownership of land and in favor of repose of land titles. The constructive trust is the usual equitable means of enforcement against the fiduciary who has secured for himself a benefit that in fairness and honorable dealings belongs to his beneficiary. Sojourner v. Sojourner, *supra;* Adcock v. Merchants & Manufacturers Bank, *supra;* Restatement of Restitution §§ 160, 190, 199, and see also § 195; Restatement § 1(e). A declaration that Hamilton holds legal title but as constructive trustee for the widow, with a duty to account to her, will vindicate her interest with respect to the past. It



will vindicate the interest of the state to repose of title.[17] Under the circumstances the interest of the state against alien ownership of land will be protected by a requirement that the widow dispose of her equitable interest within three years (plus reasonable prolongation) of the end of the litigation declaring her interest.

I have discussed this case under the law of fiduciary relationships and trusts. Precisely the same consequences attach, however, if it is approached in terms of a confidential relationship, which can exist where there is no fiduciary relation, and particularly arises between persons in a familial relationship where one reposes confidence in the other and such other abuses the confidence placed in him. 1 Scott § 2.5. The same result also ensues if one applies plain vanilla estoppel.

I have no doubt that the courts of Mississippi, like the Mississippi federal District Judge, would not permit this fiduciary to enrich himself by the abuse of a position of trust within his family. I respectfully dissent from the majority opinion which does permit that unfortunate and inequitable consequence.

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17. In *Guiseppe*, 25 years had elapsed since the Italian nieces and nephews acquired title. During that time the Mississippi niece had sold off three parcels of land and granted a utility easement. The Supreme Court remanded for an adjudication of respective ownership interests and an accounting of net rentals and sale proceeds from 1933 to 1967, the date of the decision.

## APPENDIX C

Dorotea Zaldivar V. DE TENORIO,
Plaintiff-Appellee,

v.

H. E. McGOWAN et al.,
Defendants-Appellants.

No. 74-1082.

United States Court of Appeals,
Fifth Circuit.

May 27, 1975.

Citizen of Republic of Honduras brought action against Mississippi residents to confirm her title and interest in 37 acres of land in Mississippi which she allegedly had inherited from her deceased sister, who in turn allegedly had inherited from her deceased husband, a United States citizen. The United States District Court for the Southern District of Mississippi, Dan M. Russell, Jr., Chief Judge, 364 F.Supp. 1051, entered judgment for plaintiff, and defendants appealed. The Court of Appeals, Coleman, Circuit Judge, 510 F.2d 92, reversed on ground that defendant had no fiduciary duty to notify widow of her obligation to sell property within three years after husband's death or lose her interest under treaty provisions, and plaintiff petitioned for rehearing and for rehearing en banc. The Court of Appeals held that court's decision enforcing three-year period of limitations expressly provided for under 1928 treaty with Honduras, in the absence of any showing of necessity beyond desire of plaintiff to obtain legal title to land in Mississippi and its producing oil well, did not damage fabric of United States treaty commitments.

Petitions denied.

Godbold, Circuit Judge, dissented.



**1. Treaties (Key) 8**

Court of Appeals' decision enforcing three-year period of limitations expressly provided for under 1928 treaty with Honduras, in the absence of any showing of necessity beyond desire of plaintiff to obtain legal title to land in Mississippi and its producing oil well, did not damage fabric of United States treaty commitments.

**2. Courts (Key) 406.3(24)**

If district court made inferential fact-finding that Honduran widow who owned property in Mississippi and who was vested with title to land which her husband, a United States citizen, had formerly owned was owed fiduciary obligation by husband's brother, such finding of fact was clearly erroneous.

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Appeal from the United States District Court for the Southern District of Mississippi.

ON PETITION FOR REHEARING AND PETITION FOR REHEARING EN BANC

(Opinion March 19, 1975, 5 Cir., 510 F.2d 92)

Before COLEMAN, GODBOLD and RONEY, Circuit Judges.

PER CURIAM:

The petition for rehearing is denied and no member of this panel nor Judge in regular active service on the Court having requested that the Court be polled on rehearing en banc, (Rule 25 Federal Rules of Appellate Procedure; Local Fifth Circuit Rule 12) the petition for rehearing en banc is denied.

Counsel for the plaintiff-appellee have filed a vigorous petition for rehearing. Much of it retraces the arguments previously advanced and previously rejected.

Nevertheless, the Court considers it not out of order to comment upon some of the points which the petition seeks to raise.

[1] First, it is asserted that our decision "sets a precedent which will adversely affect reciprocal property rights under treaties with at least twenty three nations around the world". We cannot agree. This case has been decided on its own peculiar facts. The deceased lady, Maria Obdulia Zaldivar McGowan, was first vested with her Honduran Treaty rights on October 31, 1957. In the absence of a necessity for prolongation those rights expired October 31, 1960. She died February 28, 1969 without taking any action whatsoever to dispose of the property under Article IV of the Treaty or to seek an adjudication that a reasonable prolongation was necessary. It remained for her heirs to champion such a necessity long after the expiration of the term of years specified by the Treaty. We were of the opinion that no such necessity had been shown. How this damages the fabric of the Honduran, or any similar, Treaty is not apparent.

[2] It is next said that our decision ignores the clearly erroneous rule. The District Court did say, 364 F.Supp. 1051, at 1060, that Hamilton McGowan occupied a fiduciary relationship toward E. J. McGowan. There was no finding of fact, except possibly by inference, to the effect that Hamilton McGowan occupied a fiduciary relationship toward the deceased widow. If there was such a finding, our prior opinion conclusively demonstrates, we think, that it was clearly erroneous.



We thus found it unnecessary to reach or decide whether existence of such a fiduciary relationship, had it existed, would have provided the "necessity" for a "reasonable prolongation". Neither did we decide whether a prolongation of eight years would have been reasonable. Moreover, we did not decide whether, after a delay of eleven years (1960-1971) the heirs of one originally vested with the right could inherit that right.

In sum, the petition for rehearing it replete with arguments that this Court should not enforce the three year period of limitations expressly provided by the Treaty and insists that we should decree a necessity for quadrupling that term when no necessity is shown beyond the desire of the widow's heirs (and their grantees) to obtain legal title to the land and its producing oil well.

We adhere to our published opinion.

GODBOLD, Circuit Judge.

I dissent.

## APPENDIX D

## HONDURAN TREATY[1]

(ARTICLES I-V)

**By the President of the United States of America**

A PROCLAMATION

WHEREAS a Treaty of Friendship, Commerce and Consular Rights between the United States of America and the Republic of Honduras was concluded and signed by their respective Plenipotentiaries at Tegucigalpa on the seventh day of December, one thousand nine hundred and twenty-seven, the original of which Treaty, being in the English and Spanish languages, is word for word as follows:

> The United States of America and the Republic of Honduras desirous of strengthening the bond of peace which happily prevails between them, by arrangements designed to promote friendly intercourse between their respective territories through provisions responsive to the spiritual, cultural, economic and commercial aspirations of the peoples thereof, have resolved to conclude a Treaty of Friendship, Commerce and Consular Rights, and for that purpose have appointed as their plenipotentiaries:
>
> The President of the United States of America, George T. Summerlin, Envoy Extraordinary and Minister Plenipotentiary of the United States of America, and

1. 45 Stat. 2618.



The President of the Republic of Honduras, Doctor Fausto Dávila, Minister for Foreign Affairs of the Republic of Honduras,

Who, having communicated to each other their full powers found to be in due form, have agreed upon the following Articles:

### Article I

The nationals of each of the High Contracting Parties shall be permitted to enter, travel and reside in the territories of the other; to exercise liberty of conscience and freedom of worship; to engage in professional, scientific, religious, philanthropic, manufacturing and commercial work of every kind without interference; to carry on every form of commercial activity which is not forbidden by the local law; to own, erect or lease and occupy appropriate buildings and to lease lands for residential, scientific, religious, philanthropic, manufacturing, commercial and mortuary purposes; to employ agents of their choice, and generally to do anything identical to or necessary for the enjoyment of any of the foregoing privileges upon the same terms as nationals of the State of residence or as nationals of the nation hereafter to be most favored by it, submitting themselves to all local laws and regulations duly established.

The nationals of either High Contracting Party within the territories of the other shall not be subjected to the payment of any internal charges or taxes other or higher than those that are exacted of and paid by its nationals.

The nationals of each High Contracting Party shall enjoy freedom of access to the courts of justice of the other on conforming to the local laws, as well

for the prosecution as for the defense of their rights, and in all degrees of jurisdiction established by law.

The nationals of each High Contracting Party shall receive within the territories of the other, upon submitting to conditions imposed upon its nationals, the most constant protection and security for their persons and property, and shall enjoy in this respect that degree of protection that is required by international law. Their property shall not be taken without due process of law and without payment of just compensation.

Nothing contained in this Treaty shall be construed to affect existing statutes of either of the High Contracting Parties in relation to the immigration of aliens or the right of either of the High Contracting Parties to enact such statutes.

Article II

With respect to that form of protection granted by National, State or Provincial laws establishing civil liability for injuries or for death, and giving to relatives or heirs or dependents of an injured party a right of action or a pecuniary benefit, such relatives or heirs or dependents of the injured party, himself a national of either of the High Contracting Parties and within any of the territories of the other, shall regardless of their alienage or residence outside of the territory where the injury occurred, enjoy the same rights and privileges as are or may be granted to nationals, and under like conditions.

Article III

The dwellings, warehouses, manufactories, shops, and other places of business, and all premises thereto



appertaining of the nationals of each of the High Contracting Parties in the territories of the other, used for any purposes set forth in Article I, shall be respected. It shall not be allowable to make a domiciliary visit to, or search of any such buildings and premises, or there to examine and inspect books, papers or accounts, except under the conditions and in conformity with the forms prescribed by the laws, ordinances and regulations for nationals.

Article IV

Where, on the death of any person holding real or other immovable property or interests therein within the territories of one High Contracting Party, such property or interests therein would, by the laws of the country or by a testamentary disposition, descend or pass to a national of the other High Contracting Party, whether resident or non-resident, were he not disqualified by the laws of the country where such property or interests therein is or are situated, such national shall be allowed a term of three years in which to sell the same, this term to be reasonably prolonged if circumstances render it necessary, and withdraw the proceeds thereof, without restraint or interference, and exempt from any succession, probate or administrative duties or charges other than those which may be imposed in like cases upon the nationals of the country from which such proceeds may be drawn.

Nationals of either High Contracting Party may have full power to dispose of their personal property of every kind within the territories of the other, by testament, donation, or otherwise, and their heirs, legatees and donees, of whatsoever nationality, whether

resident or non-resident, shall succeed to such personal property, and may take possession thereof, either by themselves or by others acting for them, and retain or dispose of the same at their pleasure subject to the payment of such duties or charges only as the nationals of the High Contracting Party within whose territories such property may be or belong shall be liable to pay in like cases.

Article V

The nationals of each of the High Contracting Parties in the exercise of the right of freedom of worship, within the territories of the other, as hereinabove provided, may, without annoyance or molestation of any kind by reason of their religious belief or otherwise, conduct services either within their own houses or within any appropriate buildings which they may be at liberty to erect and maintain in convenient situations, provided their teachings or practices are not contrary to public morals; and they may also be permitted to bury their dead according to their religious customs in suitable and convenient places established and maintained for the purpose, subject to the reasonable mortuary and sanitary laws and regulations of the place of burial.



## APPENDIX E

MISSISSIPPI CODE SECTION

(Code 1942, §842; Code 1972, §89-1-23)

Aliens holding land.

Resident aliens may acquire and hold land, and may dispose of it and transmit it by descent, as citizens of the state may; but non-resident aliens shall not hereafter acquire or hold land, but a non-resident alien may have or take a lien on land to secure a debt, and at any sale thereof to enforce payment of the debt may purchase the same, and thereafter hold it, not longer than twenty years, with full power during said time to sell the same, in fee, to a citizen; or he may retain it by becoming a citizen within that time. All land held or acquired contrary to this section shall escheat to the state; but a title to real estate in the name of a citizen of the United States or a person who has declared his intention of becoming a citizen, whether resident or non-resident, if he be a purchaser or holder, shall not be forfeited or escheated by reason of the alienage of any former owner or other person.

Provided, however, any person who was or is a citizen of the United States and became or becomes an alien by reason of marriage to a citizen of a foreign country, may hereafter inherit, or if he or she heretofore inherited or acquired or hereafter inherits, may hold, own, transmit by descent or transfer land free from any escheat to the state of Mississippi, if said land has not heretofore escheated by final valid order or decree of a court of competent jurisdiction.

Provided, further, non-resident aliens who are citizens of Syria or the Lebanese Republic may inherit property from citizens or residents of the state of Mississippi.

Any and all pending suits on behalf of the state of Mississippi seeking to escheat lands of any person who is excepted by this act, are hereby abated, and the land commissioner of Mississippi is hereby directed to dismiss said suits, provided, however, that the defendant or defendants in said suits pay all costs of court and reasonable attorney's fees, to be fixed by the chancery court in which said suits are pending.

## APPENDIX F

### SCHEDULE OF TREATIES AFFECTED BY DECISION

On a review of the thirty-one Treaties with the United States dealing in some manner expressly with reciprocal rights to acquire and hold land by the Nationals of the respective High Contracting Parties in the territories of each other, it is found that these fall into the following four groups:

### GROUP I

Twelve (12) treaties use the same language as that found in Article IV of the Treaty with the Republic of Honduras that ". . . such National shall be allowed a term of three years in which to sell the same, this term to be reasonably prolonged if circumstances render it necessary. . ."



| Country | Date | Art. No. | Code Citation[2] |
|---|---|---|---|
| Austria | 1928 | IV | 47 Stat. 1876 |
| China | 1946 | VII | 63 Stat. 1299 |
| Estonia | 1925 | IV | 44 Stat. 2379 |
| Finland | 1934 | IV | 49 Stat. 2659 |
| Guatemala | 1901 | I | 32 Stat. 1944 |
| Honduras | 1927 | IV | 45 Stat. 2618 |
| Italy | 1948 | VII | 63 Stat. 2255 |
| Latvia | 1928 | IV | 45 Stat. 2641 |
| Liberia | 1938 | IV | 54 Stat. 1739 |
| Norway | 1928 | IV | 47 Stat. 2135 |
| Spain | 1902 | III | 33 Stat. 2105 |
| United Kingdom[3] | 1899 | I | 31 Stat. 1939 |

### GROUP II

Nine (9) treaties of more recent vintage use the variation that the Nationals shall be allowed "*at least* five years" in which to dispose of real estate.

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2. Stat.—*United States Statutes at Large*
   UST—*United States Treaties and Other International Agreements* (Successor to United States Statutes at Large)

3. The provisions were made applicable to: Australia, Barbados, Botswana, Burma, Canada, Ceylon, Cyprus, Fiji, Gambia, Ghana, Guyana, India, Jamaica, Malaysia, Malta, Mauritius, New Zealand, Nigeria, Sierra Leone, Singapore, South Africa, Swaziland, Trinidad, Tobago and Zambia.

| Country | Date | Art. No. | Code Citation |
|---|---|---|---|
| Denmark | 1951 | IX(4) | 12 UST 908 |
| France | 1959 | VII(11) | 11 UST 2398 |
| Germany | 1954 | IX(3) | 7 UST 1839 |
| Greece | 1951 | IX(2) | 5 UST 1829 |
| Israel | 1951 | IX(4) | 5 UST 550 |
| Japan | 1953 | IX(3) | 4 UST 2063 |
| Korea | 1956 | IX(3) | 8 UST 2217 |
| Luxembourg | 1963 | IV(3) | 14 UST 251 |
| Pakistan | 1959 | IX(2) | 12 UST 110 |

GROUP III

Two (2) treaties provide for "a reasonable period in which to dispose of it in a normal manner at its market value."

| Country | Date | Art. No. | Code Citation |
|---|---|---|---|
| Ireland | 1950 | VII(1) | 1 UST 785 |
| Netherlands | 1956 | IX(4) | 8 UST 2043 |

GROUP IV

Other types include one which allows disposition "at will."[4] Two provide simply for "national treatment" in relation to acquiring and holding land.[5] Two provide for treatment on a footing of "the most favored nation."[6] One simply provides for "complete protection and security for

4. Columbia 1846 XII 9 Stat. 881

5. Thailand 1966 V 19 UST 5843
   Togo 1966 VI 18 UST 1

6. Sweden 1910 XIV 37 Stat. 1479
   Yugoslavia 1882 II 22 Stat. 963



themselves and for any property.[7] Two leave it to whatever time the local or state law permits.[8]

GROUP V

The Treaty with the Republic of Honduras stands alone in the provisions found in Article I, fourth paragraph, which guarantees the "most constant protection and security for their . . . property"[9] and which concludes: "Their property shall not be taken without due process of law and without just compensation." (AD-3, supra).

7. Brunei 1850 III 10 Stat. 909

8. Bolivia 1858 12 12 Stat. 1003
   Switzerland 1850 V(3) 11 Stat. 587

9. Cf. Treaty with Brunei which provides for "complete protection and security" but omits reference to due process and just compensation.

## APPENDIX G

IN THE
UNITED STATES DISTRICT COURT
FOR THE
SOUTHERN DISTRICT OF MISSISSIPPI
EASTERN DIVISION

DOROTEA ZALDIVAR V. DE TENORIO
PLAINTIFF

VS

CHARLES LAVELLE LIGHTSEY (Substituted for H. D. McGowan, Deceased) et al
DEFENDANTS

VS

W. BALDWIN LLOYD, et al
THIRD PARTY DEFENDANT and
CROSS-DEFENDANT

CIVIL ACTION NO. 1608(R)

## OPINION

(Filed October 6, 1976)

Prior to the trial of this suit to confirm title, the parties, by agreement and amended pleadings, realigned themselves whereby plaintiff, Dorotea Zaldivar V. De Tenorio, referred to as De Tenorio, sought to confirm a one-half interest into and to a 37 acre tract of land located in Clarke County, Mississippi, formerly owned by E. J. McGowan, a citizen of the State of Mississippi and the United States who died intestate in the Republic of Panama, leaving as his sole heir at law, Maria Obdulia



Zaldivar McGowan, who, in turn, died intestate in the Republic of Honduras on February 28, 1969, leaving one sister of the whole blood, plaintiff De Tenorio, and one brother of the whole blood, Felipe Murillo Zaldivar, who conveyed his interest in said property to three minors, whose estates are under the control of Peter K. Smith, guardian. Under this realignment, De Tenorio and W. Baldwin Lloyd, the lessee of oil and gas leases from De Tenorio, on the one hand, and Peter K. Smith, and his assignees of oil and gas leases, on the other hand, claimed the full fee simple title to said tract to the exclusion of the claim of H. E. McGowan, now deceased, and those parties who acquired interests in the tract through him. Thus De Tenorio, and her lessee, Lloyd, and Smith, as guardian of the minor grantees from Felipe Murillo Zaldivar, and their lessors and assignees were treated throughout the trial as plaintiffs and H. E. McGowan and those parties claiming an interest through him were treated as defendants and cross-plaintiffs. Following the trial, this Court found that the fee simple title to said tract should be adjudicated in favor of the plaintiffs, one-half to De Tenorio, subject to the leases in favor of Lloyd, and one-half in the minor grantees of Felipe Murillo Zaldivar, wards of Peter K. Smith, subject to the mineral leases they had conveyed. *De Tenorio* v. *McGowan, et al*, 364 F.Supp. 1051.

On Appeal, a panel of the Fifth Circuit Court of Appeals reversed, with one dissent, remanding the case to the District Court "for further proceedings not inconsistent herewith", 510 F.2d at 92.

A petition for an en banc hearing was denied, 513 F.2d 294. On October 6, 1975, appellant's petition for a Writ of Certiorari to the U. S. Supreme Court was denied without comment, except that Justice Blackmun would have granted certiorari. 423 U.S. 877.

On February 10, 1976, the defendants and cross-plaintiffs, two of whom died during the proceedings and who have been replaced respectively by an administrator and a minor devisee, moved the Court for an order directing the plaintiffs as cross-defendants to show cause why the defendants, cross-plaintiffs, should not be adjudicated as owners of the property involved. At a hearing on this motion, counsel for De Tenorio and Lloyd orally moved for leave to amend under Rule 15, F.R.C.P., in order to allege additional facts and legal theories, not inconsistent with the decision of the appellate panel, which would allegedly substantiate a recovery for the plaintiffs, relying on statements in *Moore's Federal Practice*, pp. 970-971 to the effect that where an appellate court remands a case to the district court for further proceedings, new issues may be presented by amended pleadings not inconsistent with the judgment of the appellate court, if the mandate of the appellate court does not preclude amendment. In conformity with this rule of law, plaintiffs also cite *Madden Furniture, Inc.* v. *Metropolitan Life Ins. Co.*, 127 F.2d 837, wherein the Fifth Circuit, after remanding for further and not inconsistent proceedings, held that the case was open for amendment of pleadings, new and additional evidence or any handling not inconsistent with the opinion of the appellate court, and on *New York Life Ins. Co.* v. *Gamer*, 106 F.2d 375, wherein the Ninth Circuit Court of Appeals, held that questions which merely lurk in the record, neither brought to the attention of the court, nor ruled upon, are not to be considered as having been so decided as to constitute precedents.

The Court, by order dated March 18, 1976, allowed plaintiff to amend. The amended complaint has been filed and the allegations of De Tenorio and Lloyd have been adopted by Smith as guardian of the aforesaid minors, and those parties claiming through the minors. On April 2,



1976, the defendants, as cross-plaintiffs, filed a motion to strike the amended complaint on the grounds that the new pleadings offer no matter or issue not considered by the District Court, the Appellate Court or the Supreme Court. Plaintiffs have responded to the motion to dismiss, contending that the issue now is whether the amended pleadings state a claim on which relief may be granted without violating the mandate of the Appellate Court. Of course this Court, in its consideration of the motion to dismiss is bound by *Conley* v. *Gibson*, 355 U.S. 41, which holds that a complaint should not be dismissed for failure to state a claim unless it appears beyond doubt that the plaintiff can prove no set of facts in support of his claim which would entitle him to relief. The Fifth Circuit in *Lipscomb* v. *Jonsson*, 459 F.2d 335, p. 338, said it "has stated, explained, reiterated, stressed, rephrased, and emphasized" the Conley rule.

In applying this test to the amended complaint, the Court necessarily has to examine the lengthy allegations of the amended complaint in the light of what has previously been before this Court, and the issues as they were treated in the panel majority opinion, as well as in the dissent, and as treated in the en banc decision, to see if the new allegations, accepted as true, raise any issues not heretofore adjudicated by the appellate court or which may lurk in the record and were not ruled on.

Briefly, and without reviewing the evidence before it on the trial of this case, this Court found that H. E. McGowan failed to establish a parol gift of the tract to him from E. J. McGowan in 1936 as claimed by H. E. McGowan; found that, in his attempted confirmation of title suit in the Chancery Court of Clarke County in 1968, prior to the death of E. J. McGowan's widow, H. E. McGowan, being in a fiduciary relationship to his brother,

E. J. McGowan, wrongfully tried to avail himself of a claim of open, notorious, exclusive, uninterrupted, hostile possession; found that in that suit he failed to comply with Mississippi statutes requiring notice to interested parties in that he failed to have process issued on E. J. McGowan's widow at a time when he knew her relationship to E. J. McGowan and her address; that the treaty between this country and Honduras overrode the Mississippi statute which precludes non-resident aliens from acquiring land in Mississippi, and was superior to the common law of Mississippi which does not recognize an inheritance by a non-resident alien of Mississippi real property. This Court found that the treaty between the United States and Honduras should be liberally construed; that the the widow of E. J. McGowan, deceased, had no knowledge of her inheritance of the Mississippi property, nor did her sister, the plaintiff herein, nor her brother, Felipe, through whom the minor wards of Peter K. Smith, claimed; and that the failure of H. E. McGowan to notify the widow of E. J. McGowan of her claim to the land necessitated the prolongation of the three year period provided for in the treaty during which time she and her heirs might have divested themselves of their claim.

The dissenting Judge in the Fifth Circuit panel, which reversed and remanded, agreed with the lower court that H. E. McGowan was a fiduciary for his brother and for his brother's widow, and that his status as such required that the interest of the widow and her heirs be protected against his claim. Further, this Judge found, in the circumstances of this case, "where a fiduciary failed to inform his alien beneficiary of her interest in the property which was the subject of his fiduciary relationship, asserted title to the property in himself, and attempted to divest the widow [and her heirs] of her interest by a state court proceeding without notice to her, it is necessary that the



three-year period be 'reasonably prolonged'." (Brackets added).

Although the majority opinion held unchallenged, the lower court's finding that the state court chancery proceeding was ineffective against the widow of E. J. McGowan, it, nevertheless, found that the widow had until October 31, 1960, three years after the death of her husband, in which to divest herself of the 37 acre tract, failing which it was her duty to show circumstances which entitled her to a reasonable prolongation. The majority court construed "circumstances rendering the action necessary" to mean "circumstances existing during the three year period, such as an inability to satisfactorily clear title, an inability to sell for fair market value, wilful frustration of the effort to sell, and like events." The majority court found that on E. J. McGowan's death, his widow was vested with title to the land, limited, however, to the treaty right to dispose of same, whereas, H. E. McGowan's right was a vested remainder,[1] as a consequence of which H. E. McGowan owed her no fiduciary obligation, such as would be owed to a tenant in common or a joint tenant. In fact the majority court held that the hostility of H. E. McGowan's interest was the antithesis of a fiduciary relationship. Under a statute of the State of Mississippi, the widow could not inherit real property. As the majority

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1. The Court notes with respect to this finding that H. E. McGowan and other brothers and sisters of E. J. McGowan, as counterclaimants, did not claim in the trial of this case that they inherited from E. J. McGowan, the sole claim to title resting on H. E. McGowan's assertions of a parol gift to him and title acquired by virtue of the adverse possession set forth in his chancery action, the brothers and sisters claiming only those interests subsequently conveyed to them by H. E. McGowan in the form of royalty interests. The majority court relied on *Miller* v. *Clausen*, 299 F.2d 723. The dissenting Judge distinguished *Miller* v. *Clausen* from the instant case for the reason that no fiduciary relationship was claimed in *Miller* v. *Clausen*, finding the facts in *Guiseppe* v. *Cozzani*, 193 So. 2d 549 more closely akin to those here.

court opined, if H. E. McGowan relied on the statute and had no knowledge of the treaty, he was not guilty of any intentional dereliction. In view of its finding that a fiduciary relationship was lacking, the majority court found that the widow had the duty to make inquiry as to her husband's Mississippi assets, and otherwise failed to show any necessity for a prolongation of the three year period in which the widow had the treaty right to divest herself of title, the majority court holding: "Represented by counsel, as she was, in an estate which was formally administered in Panama, we must hold that Mrs. McGowan's failure over a period of nearly twelve years to have the records examined [Mississippi records], or to make any inquiry whatever, although assisted by counsel, totally negates the existence of circumstances necessitating a prolongation of the three year period in which she had the clear right to sell this land and receive the proceeds. (Brackets added).

In considering the language in Article I of the treaty, that is, "Their property shall not be taken without due process of law and without just compensation", the District Court, interpreting this language liberally, found that McGowan's widow (and her heirs) could not be divested of her title without due process and without just compensation, both guaranteed by the treaty. The majority court found that the cited language obviously referred to a taking by the contracting powers and was therefore not applicable to private persons. As to the language in Article IV providing that a national, who would inherit but for the laws of the country where the property is located, shall be allowed a term of three years in which to sell same, this term to be reasonably prolonged if necessary, the majority court simply found that plaintiffs had failed to show circumstances during the three years following the death of E. J. McGowan which should have prolonged this term,



construing such circumstances as an inability to satisfactorily clear title, or sell for fair market value, or the wilful frustration of the effort to sell, as noted above.

It is precisely to such circumstances that the amended complaint is addressed.

Before considering them, this Court refers to the en banc proceedings. Although plaintiff's petition for a rehearing before the full Appellate Court was denied, 513 F.2d 294, the panel, with Juge Godbold again dissenting, noted the vigorous petition filed on behalf of De Tenorio for a rehearing, and felt it incumbent to say that the case had been decided on its own peculiar facts, and, in the absence of a necessity for prolongation, the Appellate Court's decision did no violence to the reciprocal property rights under treaties with at least twenty-three nations around the world. The majority court denied that its decision ignored the clearly erroneous rule. Noting that the lower court found that H. E. McGowan occupied a fiduciary relationship toward E. J. McGowan, but did not find, except by inference, that this relationship extended to the widow, the majority court said that if there were such a finding, its prior opinion demonstrated that such a finding was clearly erroneous. Lastly, the majority court said that it was unnecessary to decide whether existence of such a fiduciary relationship, had it existed, would have provided the "neeessity" for a "reasonable prolongation"; nor whether a prolongation of eight years would have been reasonable; nor whether after a delay of eleven years (1960-1971) the heirs of one originally vested with the right could inherit that right. It is to the issues not reached by the Appellate Court that the amended complaint is also directed.

In her amended complaint, De Tenorio, joined in by the other plaintiffs, realleges all allegations of the original

complaint and the statement of plaintiff's case in the pre-trial order, including facts established by the pleadings and stipulations, except to the extent modified or contradicted in the amended complaint. Plaintiff charges that the widow of E. J. McGowan was deprived of her property following her husband's death in 1957 by fraud and fraudulent concealments, and that the time allowed her to sell should be prolonged under circumstances which included concealed fraud and a pragmatic inability to sell due to (1) an inability to satisfactorily clear title, (2) an inability to sell for fair market value or to sell at all, or (3) wilful frustration of any effort which might have been made to sell; and that H. E. McGowan was estopped by his conduct to claim title by inheritance from E. J. McGowan and has waived the treaty time limitation for aliens to dispose of land in Mississippi. At this point the Court digresses from a digest of the lengthy allegations to note that, although the majority panel found that H. E. McGowan inherited his deceased brother's Mississippi tract, subject only to the right of the widow of E. J. McGowan to dispose of same within the three year treaty term, and on which basis the majority panel found no fiduciary relationship owed to the widow H. E. McGowan at no time before or during the trial claimed any title by virtue of inheritance. In fact he could only have inherited as a co-tenant along with other than living brothers and sisters of E. J. McGowan. Instead he attempted to claim sole title in his Clarke County chancery suit by virtue of a parol gift, by open, notorious, hostile, uninterrupted possession of the lands for more than ten years following his brother's death, and through disclaimers of any interest in the land by other brothers and sisters. H. E. McGowan abandoned the parol gift claim at the trial, and the trial court found the adverse possession suit ineffective for H. E. McGowan's failure to notify, or even attempt to notify the widow,



then living and whose address was known to him. This holding was not overturned. The first time that the defendants even hinted at a title claim through inheritance was in their brief before the Appellate Court in which they stated they had found no cases holding that a party, who would otherwise inherit if an alien did not avail himself of the three year treaty provision, is under a duty to seek out or notify possible claimants of their inheritance before the three year period began to run. Defendants likened this case to the facts in *Miller* v. *Clausen*, 299 F. 723 as did the majority panel. However, in Miller, the successful parties were heirs at law who had done nothing to deceive relatives, nationals of Germany, who were devisees under the will of the deceased. Judge Godbold in his dissent, as did the trial court found the facts here are more akin to those appearing in Guiseppe III, 193 So. 2d 549, wherein the Mississippi Supreme Court found that a Mississippi statute of limitations was extended by reason of concealed fraud committed by claimants to land who concealed the existence of alien relatives as co-tenants. The non-resident aliens brought suit twenty-five years after they became entitled to interests in real property. This Court notes that Mrs. E. J. McGowan was not in co-tenancy with H. E. McGowan, but inherited the sole fee title to the exclusion of H. E. McGowan and his brothers and sisters, subject only to the treaty limitation.

Continuing with the allegations of the amended complaint detailing the concealed fraud, plaintiff charges that from 1911 to 1936 H. E. McGowan carried out his trust agreement with E. J. McGowan whereby H. E. McGowan used the tract, collecting rents and profits, paying taxes in E. J. McGowan's name. In 1936 when E. J. McGowan returned to Mississippi prior to the death of his father in December 1936, and when H. E. McGowan could have obtained a deed from his brother, to the contrary, he

continued to look after the lands as before. In the deposition of M. M. McGowan, lawyer and circuit judge, and a brother of H. E. McGowan, which was not admitted into evidence over plaintiff's objection, plaintiff now avers that M. M. McGowan advised H. E. McGowan that the asserted parol gift of the land by E. J. McGowan to H. E. McGowan was invalid. Plaintiff asserts that the purpose of H. E. McGowan in claiming a parol gift was to deprive his brother of the title. He nevertheless made no effort to obtain a valid deed, but developed an intent to have the lands as his own, hostile to his brother's title, but secretly so, and this silence was fraudulent, concealed, and hidden under the ostensible cloak of fidelity to his brother's interest. While this concealed motive continued unabated, H. E. McGowan, in 1939, forged his brother's name as lessor of an oil, gas and mineral lease on the property, and falsely swore as a witness to E. J. McGowan's forged signature. Between 1936 and 1957 H. E. McGowan continued to carry out the fraudulent concealment of his true hostility and intent to claim his brother's lands. On the death of E. J. McGowan in 1957, and until 1968, H. E. continued to hold the lands ostensibly for his brother, but with a secret intent to conceal hostility until the running of the statutory period of ten years for establishing title by adverse possession in Mississippi, while the tax assessment was in the name of "E. J. McGowan Estate", and without any accounting for rents and profits to his estate or to his widow, whose existence and residence were known to him. On August 14, 1968, H. E. McGowan made his first public display of hostility to his brother's interest, other than an affidavit filed for record on January 11, 1967,[2] when he filed his confirmation of title suit in the Chancery Court of Clarke County, and wherein he

2. This Court has no knowledge of such an affidavit or its contents but assumes plaintiff intends to produce evidence of it.



admitted his fiduciary duties existing from the time of the acquisition of the property by his brother in 1911 and 1915 up to 1936 when H. E. McGowan claimed he received an oral gift of the land, a claim he knew to be false. Plaintiff charges that the chancery suit was a fraud on the chancery court and on the widow of E. J. McGowan for the fraudulent purpose of adjudicating the title in H. E. McGowan as an adverse possessor, and that the brothers and sisters of H. E. McGowan conspiratorially confessed the bill in chancery allowing a decree pro confesso, drafted by M. M. McGowan, to recite that E. J. McGowan "died intestate and without heirs at law", followed by a series of conveyances whereby H. E. McGowan conveyed royalty interests to his brothers and sisters, thereby purporting to divide the fruits of the concealment to the exclusion of the widow then living in the Republic of Panama in total ignorance of the proceedings designed to deprive her of her inheritance, done contrary to law, equity and good conscience, and contrary to the Constitution of the United States and the treaty existing between the U. S. and Republic of Honduras. Plaintiff charges that the chancery court complaint did not claim that H. E. McGowan, either alone or with his brothers and sisters, inherited the land from E. J. McGowan (this Court has heretofore noted that neither was this claim made by counter-complainants in the trial). Plaintiff contends that by reason of the above H. E. McGowan waived his right to claim a forfeiture by reason of the widow's inaction in disposing of the property and is estopped to assert title by forfeiture. Plaintiff further avers that in addition to having no knowledge of her inheritantce and therefore having no reason to search out her husband's estate as it may or may not have been reflected in the records of Clarke County, she received no legal advice from the attorney in Panama who acted in her name but who was actually employed by a prospec-

tive purchase of her deceased's property located in Panama; and even had she been informed as to her inheritance in Mississippi and of the necessity of disposing of same within three years, this term should have been prolonged for circumstances requiring a prolongation as follows: (1) her inaction resulted from the concealed fraud of H. E. McGowan, followed by his sham chancery proceeding seeking title in himself; (2) the title was unclear in view of the hostility, although secret, claimed by H. E. McGowan since her husband's death; (3) she could not have sold the lands for fair market value while H. E. McGowan was claiming possession, even though retroactively and dormant until 1968; and (4) the title was further beclouded by H. E. McGowan's assertion in the chancery court complaint that he and members of the McGowan family believed that E. J. McGowan was never legally married to anyone, the person referred to as his wife being merely a native person looking after him in his extremity. Plaintiff further charges that a prolongation of the treaty term is required in order for plaintiff to remove the false claims of H. E. McGowan beclouding the title, as the present action seeks to do.

Finally, plaintiff claims that by virtue of H. E. McGowan's admissions in the chancery action he became the trustee of a constructive trust as that term is exemplified in *Russell* v. *Douglas,* 138 So. 2d 730, and *Sojourner* v. *Sojourner,* 153 So. 2d 803, also cited by Judge Godbold in his dissent, and that the portion of the Mississippi statute purporting by its terms to allow non-resident aliens who are citizens of Syria and the Lebanese Republic to inherit property from citizens of the United States and denies this right to non-resident aliens is an unconstitutional interfence with the effective exercise of the federal government of the nation's foreign policy, even in the absence of a treaty. As the majority panel pointed out, the Mississippi



statute was not attacked in the district court, nor was there a request for a three judge court, nor does plaintiff in her amended complaint ask for a three judge court. Nonetheless the majority panel held that the Fourteenth Amendment has no application to non-resident aliens. It further dealt with the constitutionality of the statute in saying that, if the part of the statute objected to were invalidated, it being an amendment, the statute was thus returned to its previously existing *validity* and the status of plaintiff as a non-resident alien would remain the same.

It remains for the Court to determine if the new allegations, accepted as true, offer any new evidence or different theory of recovery not met by the Appellate Court. Judge Godbold in his dissent found, as did this Court, that H. E. McGowan had a fiduciary relationship to E. J. McGowan, and on his death the fiduciary obligation desended to his widow in the same manner as did the land itself, citing the Mississippi Code of 1972, Section 91-1-9. Judge Godbold equated this fiduciary relationship to that of a constructive trust and found that, under the narrowest, most minimal standards of faithfulness, fair dealing and the trust and confidence that undergirds fiduciary relations, H. E. McGowan owed the beneficiary the duty to notify her of her interest in the land. He found this failure a circumstance justifying a prolongation of the treaty three year term. His solution was a declaration that H. E. McGowan holds legal title but as a constructive trustee for the widow. Unfortunately for the widow, Judge Godbold's reasoning was overruled by the majority panel, and all of plaintiff's amended pleadings merely add in more detail facts which would tend to establish a fiduciary relationship or constructive trust which the majority panel found did not exist.

This Court, like Judge Godbold, was unable to find a case involving treaty provisions similar to those here in

which the issue of a breach of a fiduciary relationship was presented (that was not the issue in *Miller* v. *Clausen*, supra). Even if the case is one of first impression, it is not for this Court to question the majority panel's reliance on *Miller* or insist that the facts here more closely parallel those in the series of Guiseppe cases, 118 So.2d 189; 159 So.2d 278; and 193 So.2d 549. Although Mrs. E. J. McGowan had never been to Mississippi, spoke no English, and the majority panel acknowledged that she knew nothing of the land owned by her husband in Mississippi, this panel found on the record that she knew her husband had brothers in Mississippi to whom she could have made inquiries, and she was represented by counsel in the administration of her husband's estate in Panama. From these assertions and the finding that H. E. McGowan owed her no duty to inform her of her inherited interest, the majority panel placed on her the duty to initiate inquiries concerning her interest in the land, saying that land conveyances in Mississippi are of public record and notice to the world. Although plaintiff, by her allegations, proposes to offer proof that the attorney who administered E. J. McGowan's estate in Panama, was employed to do so by a purchaser of the Panama property from which the inference could be drawn that he did not have her interestts at heart to the extent of making inquiries in Mississippi, this Court cannot find on this basis that she was relieved of the duty placed on her by the majority panel to initiate proceedings to divest herself of title within the three year treaty term.

From the above analysis, the Court is bound to find that defendants' and counter-plaintiffs' motion to strike is well taken.

Accordingly, an appropriate order may be submitted with court costs taxed to plaintiffs.

/s/ Don M. Russell, Jr.
United States District Judge

DATE Oct. 6, 1976



## APPENDIX H

Dorotea Zaldivar V. DE TENORIO,
Plaintiff-Appellant,

v.

Charles Lavell LIGHTSEY et al.,
Defendants-Appellees,

Peter K. Smith, etc., et al.,
Defendants-Appellants,

W. Baldwin Lloyd, Third Party
Defendant-Appellant.

No. 77-1242.

United States Court of Appeals,
Fifth Circuit.

Feb. 16, 1979.

Citizen of republic of Honduras brought action against Mississippi residents to confirm title and interest in 37 acres of land in Mississippi. Following judgment for plaintiff, 364 F.Supp. 1051, and reversal and remand, 510 F.2d 92, the United States District Court for the Southern District of Mississippi, Dan M. Russell, Jr., Chief Judge, dismissed plaintiff's amended complaint, and plaintiff appealed. The Court of Appeals, Skelton, Senior Judge, sitting by designation, held that district court did not err in striking plaintiff's amended complaint, since all of contentions raised in amended complaint had been disposed of in Court of Appeals' prior opinion.

Affirmed.

**1. Federal Courts (Key) 917**

On appeal from judgment entered in district court following reversal of district court's original opinion and remand, Court of Appeals was bound by the findings of fact made by it in its opinion in prior appeal of the case, and Court of Appeals' conclusions of law in that appeal became the law of the case and would be applied on subsequent appeal.

**2. Federal Courts (Key) 950**

Following remand of proceeding brought by Honduran citizen to confirm title and interest in real property in Mississippi, district court did not err in striking plaintiff's amended complaint, since all contentions raised in amended complaint had been disposed of in Court of Appeals' prior opinion.

---

Appeal from the United States District Court for the Southern District of Mississippi.

Before GOLDBERG, Circuit Judge, SKELTON, Senior Judge*, and FAY, Circuit Judge.

SKELTON, Senior Judge.

The facts in this case are fully set forth in detail in an able and exhaustive opinion of Judge Coleman of this court in a prior appeal of this case, reported in 510 F.2d 92 (5 Cir. 1975), as follows:

> "This is an appeal by Hamilton E. McGowan, the defendant below, and a brother of Elbert J. McGowan, deceased, from a judgment vesting an undivided one-half interest in thirty-seven acres of land in Clarke

*Senior Judge of the United States Court of Claims, sitting by designation.



County, Mississippi, in Doretea Zaldivar V. De Tenorio, a non-resident alien, *De Tenorio* v. *McGowan*, 364 F. Supp. 1051 (S.D.Miss.1973). Appellee De Tenerio claims the land by inheritance from her deceased sister, who, in turn, allegedly inherited the land from her deceased husband, Elbert J. McGowan. Both appellee and her deceased sister had been and were resident citizens of the Republic of Honduras.

"Appellant argues that the widow lost her interest in the land by failing to comply with the requirements of a 1928 Treaty between the United States and the Republic of Honduras. He asks that title be confirmed in the defendants-cross-complainants.

* * *

"In 1911, by deed of conveyance, Elbert J. McGowan became the owner of twenty-seven acres of land in Clarke County, Mississippi. In 1915 he acquired, by deed, ten additional acres. These parcels constitute the thirty-seven acres here in question.

"Both deeds were properly recorded in the land deed records of Clarke County, Mississippi, on December 20, 1915. The District Court found that these conveyances vested E. J. McGowan with the fee simple *record* title to this land.

"Between 1911 and 1914 E. J. McGowan left Mississippi and returned only twice, the last time in 1936. This was the last contact any member of the family is known to have had with him during his lifetime.

"After leaving Mississippi, E. J. McGowan returned to Central America, where in 1940, he married Maria Obdulia Zaldivar, of Honduran nationality. Although there originally were claims to the contrary, abandoned during the course of this litigation, no chil-

dren were born of this union. E. J. McGowan remained a United States citizen, but died intestate on October 31, 1957, in the Republic of Panama.

"Hamilton E. McGowan, of Vossburg, Mississippi, was a brother of Elbert J. McGowan. Elbert's United States passport designated Hamilton McGowan as the person to be notified in case of his death. In 1957, Hamilton was so notified by the United States Consul in Panama. This notification revealed that Elbert's effects had been placed in the hands of his widow, and listed other known relatives as two brothers, Hamilton E. McGowan, of Vossburg, and M. M. McGowan, of Jackson, Mississippi. After Elbert's death, no member of the family communicated with his widow or undertook to advise her concerning any land E. J. McGowan owned in the State of Mississippi. Neither did she, or her counsel, communicate with the McGowans. Silence reigned supreme on both sides.

"In 1958, after the death of her husband, Maria Obdulia Zaldivar McGowan left Panama, went back to Honduras, and lived there with her sister, the plaintiff-appellee here, until her death. While thus residing in the Republic of Honduras, Maria died intestate on February 28, 1969, without being remarried or having any children. At no time did she ever renounce her Honduran citizenship. She was survived by one sister, appellee De Tenorio, and one brother, Felipe. Maria's other brothers and sisters were of the half blood, and neither of her parents survived her death.

"It is undisputed that the taxes on the lands in question were never paid by Elbert J. McGowan, but were always paid by his brother, Hamilton E. McGowan. In addition to paying the taxes, Hamilton E. McGowan used the land, retained the profits, and



acknowledged his brother's ownership of the land in a number of ways, such as failing to have the tax assessment changed to him as owner and by subscribing as a witness to an oil and gas lease purportedly executed by E. J. McGowan in 1939.

"In 1968, Hamilton E. McGowan filed suit in the Chancery Court of Clarke County, Mississippi, asserting title in himself by adverse possession and seeking confirmation of his alleged title to the land. Elbert's widow, Maria Obdulia Zaldivar McGowan, was living at the time in the Republic of Honduras, but she was not named as a party to the suit, nor was she served with notice or process. A decree was entered on the complaint by default. This decree was asserted by the defendants-appellants in the District Court as *res judicata*. The Court held that this decree was ineffective against Maria, Elbert McGowan's widow and appellee's sister, for lack of due process of law guaranteed by the Fifth and Fourteenth Amendments to the Constitution of the United States and applicable under the terms of the Treaty between the United States and Honduras. This holding is not challenged on appeal. The District Court further held that Maria Obdulia Zaldivar McGowan's interest in the land formerly owned by her husband, Elbert, could not be divested from her in the absence of *due process of law* and *without just compensation*. It concluded by a 'liberal interpretation' of the Treaty that Maria's heir, Dorotea, was entitled to the same protection." 510 F.2d 94-95.

Further pertinent facts are set forth in Judge Coleman's discussion of the law, as follows:

"The applicable Mississippi statute, Section 842 of the Code of 1942 [now Section 89-1-23 of the Code

of 1972, which goes back to Section 2439 of the Mississippi Code of 1892] provides:

> 'Resident aliens may acquire and hold land and may dispose of it and transmit it by descent, as citizens of the state may;
>
> but non-resident aliens shall not hereafter acquire or hold land * * *.'

"This statutory provision yields, of course, to any applicable provision of any valid Treaty of the United States with a foreign country, constituting a part of the Supreme Law of the Land, United States Constitution, Article 6, Clause 2, *Hauenstein* v. *Lynham*, 100 U.S. 483, 25 L.Ed. 628 (1879); *Clark* v. *Allen*, 331 U.S. 503, 67 S.Ct. 1431, 91 L.Ed. 1633 (1947).

"The pertinent portions of the 1928 Treaty with Honduras read as follows:

* * *

'Article IV

> 'Where, on the death of any person holding real or other immovable property or interests therein within the territories of one High Contracting Party, and such property or interests therein would, by the laws of the country or by a testamentary disposition, descend or pass to a national of the other High Contracting Party, whether resident or non-resident, were he not disqualified by the laws of the country where such property or interests therein is or are situated, such national shall be allowed a term of three years in which to sell the same, this term to be reasonably prolonged if circumstances render it necessary * *.'



"By the express provisions of the Treaty, McGowan's widow had until October 31, 1960, in which to sell the thirty-seven acres of land in Clarke County. The term for the exercise of that right might 'be reasonably prolonged if circumstances *render it necessary.*' (emphasis ours).

"Prior to the cut off date, Mrs. McGowan took no action to sell the property, nor did she do so during the ensuing nine years. Indeed, although the record shows that Mrs. McGowan, the widow, was represented by counsel in closing her husband's affairs she died without making any inquiry or taking any action to sell the land.

"The case, then is reduced to whether under the Treaty the sister was entitled to a 'reasonable prolongation' of the sale perid, *rendered necessary by the circumstances.*" 510 F.2d 95-96.

* * *

"* * * The laws of Mississippi flatly provided that the Widow McGowan could not inherit the land. The record is totally devoid of the slightest suggestion that Hamilton McGowan had ever heard of the Honduran Treaty of 1928." 510 F.2d 97.

* * *

"We have already pointed out that from October 31, 1957, until February 28, 1969—eleven years and four months—Mrs. McGowan made no effort to take any action whatever by sale or otherwise, with reference to the property inherited, with limitations, from her deceased husband.

"On what theory is it to be held, then, that this long term of inaction, almost four times the primary

term prescribed by the Treaty, may at this late date be judicially prolonged as 'a matter rendered necessary by the circumstances?'

"The only reason advanced is that the widow McGowan did not know of the property owned by her husband, did not know the rights conferred upon her by the Treaty, and Hamilton McGowan failed to inform her of it, although, as already stated, there is no proof that he, a layman residing in Mississippi, had any knowledge of the Treaty.

"It seems likely that Mrs. McGowan did not know of the land, but the only proof to support this conclusion is the testimony of her sister, the present claimant to the property, who said that Mrs. McGowan never mentioned the existence of Mississippi or any property in it.

"Balanced against this is the fact that when her husband died in Panama, there was an intestate succession [administration] in that jurisdiction, in which the widow received all of her deceased husband's property in that jurisdiction, *and was represented by counsel.* Living with her husband, an American, for eighteen years she is bound to have known that her husband had a United States passport, especially since the record indicates that she had one also. In any event, the Consular report of his death named her as his heir and named the two brothers and their addresses in Vossberg and Jackson, Mississippi, as surviving relatives. If the United States Consul obtained this information from some source other than the widow, who was the only person in Panama who could have told him of it, she at least was put on notice of it when she received as she did a copy of the Consular report.



"Conceding, however, that the widow knew nothing of the land owned by her husband the record leaves no room for doubt that she knew he had brothers in Mississippi and, if she was interested in the subject, that he might have land there." 510 F.2d 98.

* * *

"It is urged that under the facts of this case Hamilton McGowan was 'fiduciary' to the widow of his deceased brother. For reasons quickly to be stated we hold that Hamilton was not a fiduciary to his former sister-in-law.

"Prior to October 31, 1957, the date of Elbert's death, such a relationship could not have arisen because Elbert was the sole owner of the Clarke County property, acting in his own right. Before Hamilton McGowan so much as knew of the existence of a sister-in-law (which was learned from the Consul's death report), the relationship had been dissolved when Elbert died childless, *Wilbe Lumber Company* v. *Calhoun*, 163 Miss. 80, 140 So. 680 (1932). Mrs. McGowan was an adult, not a lunatic, and personally a total stranger to her former brother-in-law. Neither before nor after October 31, 1957, did Hamilton McGowan see Mrs. Elbert McGowan or have the first word of communication with her, directly or indirectly, written or oral. In this set of circumstances a fiduciary relationship was totally nonexistent."

* * *

"Consequently, Hamilton McGowan was neither a tenant in common nor a joint tenant with his former sister-in-law." 510 F.2d 100.

The district court held that the failure of Hamilton McGowan to give his sister-in-law actual notice of the existence of the land and of her Honduran Treaty rights established the required "necessity" for the prolongation of the three-year term in which she could have sold the land. That court also held that this "necessity" would continue until someone should give actual notice to the alien inheritor of the land or to those who inherit the land from such alien. The district court entered judgment for the plaintiff, holding that she was the owner of the land. This court, speaking through Judge Coleman, on the appeal of the case, reversed and remanded it for further proceedings not inconsistent with the decision of this court.[1]

Upon remand of the case defendant moved, in the district court, in February of 1976, for an order directing plaintiff to show cause why defendant should not be adjudicated owner of the property involved and a Final Judgment to that effect so entered. The plaintiff responded by orally moving for leave to amend her pleadings. The motion of defendant to file a Final Judgment was denied, and the plaintiff was allowed to file her Amended Complaint. Defendant then filed a Motion to Strike that Amended Complaint on the ground that the new pleadings offered no matter or issue not considered by the district court, this court, or the Supreme

1. This case has run the full course of our federal judiciary. Originally, the District Court found that the title to the property in question was vested in the plaintiffs. *De Tenorio* v. *McGowan*, 364 F.Supp. 1051 (D.C.Miss.1973). That judgment was then appealed to this court, which reversed the decision of the lower court and remanded the cause "for further proceeding not inconsistent herewith." *De Tenorio* v. *McGowan*, 510 F.2d 92 (5 Cir. 1975). Thereafter, plaintiffs filed a Petition for Rehearing and a Petition for Rehearing En Banc. In a Per Curiam written opinion, both Petitions were denied. *De Tenorio* v. *McGowan*, 513 F.2d 294 (5 Cir. 1975). Petition for Writ of Certiorari to the United States Supreme Court was also denied. *De Tenorio* v. *McGowan*, 423 U.S. 877, 96 S.Ct. 150, 46 L.Ed.2d 110 (1975).



Court.[2] On October 6, 1976, the District Court, by written opinion, found that the amended pleadings, if accepted as true, offered no new allegations, evidence, or different theory of recovery not met by the appellate court, that the motion of defendant to strike was well taken; and that an appropriate final judgment should be submitted with all court costs taxed to plaintiff. Final judgment was accordingly entered on December 3, 1976, vesting fee simple title and ownership of the land in defendant and taxing the costs against he plaintiff. The case now before us is an appeal by the plaintiff from that judgment.

In writing the opinion of this court in the prior appeal of this case, Judge Coleman, after describing the facts and making findings thereon, and after discussing the Mississippi land laws and the provisions of the Treaty, held:

> "* * * all the parties here had their full day in Court and there was no denial of due process. The due process argument, therefore, is irrelevant.
>
> "This remands us to the decisive factor in the case, the application of the pertinent provisions of Article IV, which, stripped of inapplicable language, might appropriately be defined as follows:
>
> > 'Where, on the death of any person holding real or other immovable property or interests therein within the territories of one High Contracting Party, * * * such national shall be allowed a term of three years in which to sell the same, this term to be reasonably prolonged if circumstances render it necessary * * *.'

2. Dorotea Zaldivar De Tenorio and those claiming under her and a brother will be referred to as the plaintiff. Hamilton McGowan and those claiming under him will be referred to as the defendant.

"We construe 'circumstances rendering the action necessary' to mean circumstances existing during the three year period, such as an inability to satisfactorily clear title, an inability to sell for fair market value, wilful frustration of the effort to sell, and like events." 510 F.2d 87-98.

Judge Coleman held further:

"Represented by counsel, as she was, in an estate which was formally administered in Panama, we must hold that Mrs. McGowan's failure over a period of nearly twelve years to have the records examined, or to make any inquiry whatever, although assisted by counsel, totally negates the existence of *circumstances necessitating* a prolongation of the three year period in which she had the clear right to sell this land and receive the proceeds." 510 F.2d 99.

In discussing the facts, Judge Coleman stated, as quoted *supra*, that "we hold that Hamilton [the defendant] was not a fiduciary to his former sister-in-law." With further reference to the lack of such fiduciary relationship the opinion stated:

"Consequently, Hamilton McGowan was neither a tenant in common nor a joint tenant with his sister-in-law. His interest conflicted with hers to the extent that he could only hope for title in fee if she failed to exercise her right of disposition in compliance with the Treaty. The fiduciary principles usually applicable to such tenancies in common simply did not apply here. In the total absence of an agreement to the contrary, the hostility of Hamilton's interest to that of his sister-in-law was the antithesis of a fiduciary relationship. No law could require him to aid a total stranger to defeat his own title.



"Neither does the fiduciary argument attribute proper significance to the indisputable fact that under Mississippi law real property could not be inherited by a Central American alien. If Hamilton McGowan acted in reliance on the Mississippi statute prohibiting inheritance of real property by aliens, and if he did not know of the Honduran Treaty, then he was guilty of no intentional dereliction for, in the absence of the Treaty, no duty could have existed. The record in this case is totally bare of any evidence of treaty knowledge on the part of Hamilton." 510 F.2d 100.

Finally, we held in our prior opinion:

"Accordingly, we hold that the primary term in which Mrs. McGowan could have exercised the Treaty right of disposal expired on October 31, 1960; that during that time frame, and for the remaining eight years of her life, no existing necessity was claimed by her for the prolongation of the three year period. Neither have the subsequent heirs established any such necessity. The total inaction reflected by this record cannot, by some kind of judicial wand waving, be converted into 'a necessity.'" 510 F.2d 101.

When the case was remanded to the district court and the plaintiff was allowed to file an amended complaint, the amendment that was drafted and filed by the plaintiff was admittedly framed in such a way that it attempted to comply, for the most part, with the criteria laid down in our prior opinion that would justify the prolongation of the three year period that Mrs. McGowan had the right to dispose of the land under the provisions of the Treaty. These criteria were:

"* * * an inability to satisfactorily clear title, an inability to sell for fair market value, wilful frustration of the effort to sell, and like events."

It is with this background then that we view the allegations of plaintiff's amended complaint, which pleads an inability to satisfactorily clear title, an inability to sell for fair market value, and a wilful frustration of any effort to sell which might have been made. The plaintiff contends that these facts, if true, are sufficient to meet the requirements set forth by Judge Coleman to extend the three-year period. We do not agree. The short answer to these allegattions and arguments is that Widow McGowan never tried to clear the title to the land, never tried to sell it for fair market value, and was never wilfully frustrated in any effort to sell the land which might have been made, during the three-year period nor at any other time during her lifetime.

The plaintiff also alleged fraud and fraudulent concealment on the part of Hamilton McGowan, pointing to the suit he filed in chancery for title to the land and also his claim of parol gift of the land from Widow McGowan's husband. We held in our prior opinion that the suit in chancery was a nullity as far as Widow McGowan was concerned because she was not made a party to the suit and had no notice of it. As to the parol gift contention, Hamilton McGowan dropped that claim long before this suit was filed and it has not been involved here. In any event, any so-called fraud on the part of Hamilton McGowan could not affect the outcome of this case because Widow McGowan did not know about it, if it existed, and could not have been misled by it.

The plaintiff also pleaded in the amended complaint that Hamilton McGowan held the land in a constructive trust for Widow McGowan. We held in our prior opinion that there was no fiduciary relationship between Hamilton McGowan and Mrs. McGowan. Consequently, there could not be a constructive trust. We also held that the two of



them were not joint tenants nor tenants in common. They did not own the land at the same time. Hamilton McGowan inherited it when Mrs. McGowan lost her title upon the expiration of the three-year period. There are no valid allegations nor proof that support the trust theory.

The plaintiff also alleges that the Mississippi statute prohibiting ownership of land by an alien was unconstitutional. We disposed of that argument in our prior opinion.

The case of *Guiseppe* v. *Cozzani*, 193 So.2d 549 (Sp.Ct., Miss.1967), is again urged by plaintiff in support of her amended claim. We held in our prior opinion that the cases are clearly distinguishable, as that case involved fraud between joint tenants and tenants in common, which facts are not present here.

[1] It is fundamental that we are bound by the findings of fact made by this court in our opinion in the prior appeal of this case. Also, the court's conclusions of law in that appeal became the law of the case and must be applied here. Furthermore, we think Judge Coleman's opinion was correct.

[2] Accordingly, we conclude that the plaintiff has presented nothing new in her amended complaint, and that all of her contentions were disposed of in our prior opinion, and that the district court was correct in striking it and in entering final judgment that defendant was the fee simple owner of the land in question, and that such judgment should be affirmed.

AFFIRMED.

Supreme Court, U. S.
FILED
JUN 11 1979
MICHAEL RODAK, JR., CLERK

# In the Supreme Court of the United States

OCTOBER TERM, 1978

**No. 78-1698**

DOROTEA ZALDIVAR V. DE TENORIO, ET AL.,
*Petitioner,*

VS.

CHARLES LAVELL LIGHTSEY, ET AL.,
*Respondent.*

## BRIEF FOR THE RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

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# In the Supreme Court of the United States

OCTOBER TERM, 1978

**No. 78-1698**

DOROTEA ZALDIVAR V. DE TENORIO, ET AL.,
*Petitioner,*

vs.

CHARLES LAVELL LIGHTSEY, ET AL.,
*Respondent.*

## BRIEF FOR THE RESPONDENT IN OPPOSITION

### PRELIMINARY STATEMENT

Since Petitioner, in her Petition for Writ of Certiorari, set out references to opinions below, made a statement of the grounds on which jurisdiction of this Court is invoked, the citation of statutory authorities, the Treaties and statutes involved and the questions presented for review, Respondent will not burden the record by repeating same.

When we make references to matters contained in the Appendix to the Petition for Writ of Certiorari, we will refer to same as "A .....". When we refer to matters contained in Volume 1 of the Appendix on file before the Fifth Circuit Court of Appeals, we will refer to same as "Apx. V. I, p. .....", and when we refer to exhibits before the United States Court of Appeals for the Fifth Circuit, we will refer to same as "Ex. Vol. II, p. .....".

## STATEMENT OF THE CASE

Federal jurisdiction in this case was based upon the existence of Treaty questions. 28 U.S.C., § 1331, *Tenorio* v. *McGowan*, 364 F. Supp. 1051 (1973) (A1).

This case turned upon an interpretation of the Treaty of Friendship, Commerce and Consular Rights with the Republic of Honduras (45 Stat. 2618). Pertinent portions are set out in A72-A76. The Mississippi common law and Mississippi Code prohibited Honduran Nationals from acquiring title to property in Mississippi (Mississippi Code 1942, § 842; Code 19[illegible] 89-1-23) (A77-A78).

The land in question was acquired by Elbert J. McGowan by two deeds, one dated in 1911 and the other in 1915 (A3). About the year 1911 Elbert J. McGowan went to Central America (A3), returned to Clarke County, Mississippi, the home of his father and mother, and his brother, Hamilton E. McGowan, only twice between the year 1911 and 1936. He wrote two letters to his family during that period of time and after a visit of about a week in 1936, told his niece and brother that he was going to return to Central America and never expected to return to the United States. Thereafter no member of his family ever received any letter from him, knew of his whereabouts or saw him alive and he did not return to Clarke County, Mississippi prior to his death (Apx. V. I, p. 307-315). Between the years 1911 and 1936, H. E. McGowan used the land, paid taxes on same and did so "as a favor to his brother and for the use of said lands" (A16).

In 1940, Elbert married Maria Obdulia Zaldivar, a native Honduran woman, which marriage was not known by any member of his family until his death. On October 31,



1957, he died intestate, leaving his wife as his only heir (A3-A4).

After the death of Elbert, H. E. McGowan, his brother, received a copy of an official notice of the death of Elbert from the Consul in Panama (A5, Ex. Vol. II, p. 6) which listed the then address of the widow in Panama and other known relatives as Hamilton E. McGowan, Vossburg, Mississippi, and Milton M. McGowan, Jackson, Mississippi, brothers of the deceased. The instrument further showed that the widow had received a copy of the report of death and all of his effects were in her hands. The information contained in the report of death came from the widow who received a copy of same and who, undoubtedly, made his Passport available to the Consul upon his death (A38). There is no proof in the record that she knew of the land in question in the State of Mississippi, but she did know of his two brothers and their address (A38). One year after Elbert died, his widow returned to Honduras and no member of his family had any knowledge of her address or whereabouts (Apx. V. I, p. 271).

There was an Intestate Succession, tantamount to our administration, after the death of Elbert and his widow was declared to be the owner of all of his property, real and personal, in Panama. She was represented by counsel (A37) (Ex. Vol. II, D-1). She never communicated with either brother of the deceased, nor made any inquiry as to whether or not he left any land or estate in the State of Mississippi.

Although Petitioner states that after the death of his brother, Hamilton had the land tax assessment changed from "Elbert (E.J.) McGowan" to "The E. J. McGowan Est.", the record does not so reflect. This is a supposition on the part of Petitioner (Apx. V. I, p. 338).

After the death of his brother, Hamilton used the land in all the ways such land was susceptible of being used, claiming it as his own and paying all taxes thereon. On August 14, 1968, he brought suit in the Chancery Court of Clarke County, Mississippi, claiming that he had acquired title to the land in question by "adverse possession" and by parol gift in 1936, the last time Elbert was at home. All of the brothers and sisters of Hamilton were made parties defendant and the unknown heirs of Elbert, if any, were made parties defendant, but the widow was not made a party as such. Decree purported to confirm title in Hamilton (Ex. Vol. II, D-3).

There was no proof of a parol gift since Hamilton McGowan, the only witness who could have testified to same, was in extremely bad health, under a doctor's care and advised by his doctor that he could not testify in the case (Apx. V. I, p. 320). Even had he attempted to testify he would have been barred on objection by the "Dead Man's Statute". From about the year 1951 until up to the date of the 1968 suit, the daughter of H. E. McGowan, who handled his business, continually tried to have the assessments changed into her father's name, but was unable to do so since there was no record title in him. This evidenced hostility, not only to his brother's title, but to the widow's title after his brother's death (Apx. V. I, pp. 324-328).

Obdulia died intestate in Honduras on February 28, 1969, leaving as her sole heirs at law, her sister, Dorotea, and a brother, Felipe. She had made no effort before her death to comply with any of the provisions of the Treaty in question (A4). For an additional period of two years, the heirs of Obdulia did nothing to assert title to the land in question until oil was discovered in the area at which time she was "found" by oil men and executed an Oil



Lease on February 1, 1971, and subsequent instruments later (Ex. Vol. II, p. 9). Suit was filed in this cause on April 12, 1971, some 14 years after the death of Elbert J. McGowan.

## ARGUMENT

### I. General

There are no special and important reasons as required by Rule 19, Rules Supreme Court of the United States, why this Court should grant certiorari. The decision of the Court of Appeals is not in conflict with any other decision of other Courts of Appeals or of the Supreme Court.

Although the Treaty with the Republic of Honduras in question has never been construed by any Appellate Court prior to this case, the construction placed on the Treaty by the decisions in this case was essentially in accord with several other cases decided by the Supreme Court of the United States and the Supreme Courts of several states.

Petitioner argues that some twenty-three Treaties with other nations will be adversely affected by this decision as she did in her former Petition for Writ of Certiorari, which was denied - Justice Blackmun dissenting, *Tenorio* v. *McGowan*, 423 U.S. 877, 96 S.Ct. 150 (October 6, 1975). This is just not borne out by the facts and was answered ably by the Court in denying the Petition for Rehearing and Rehearing En Banc in the Fifth Circuit Court of Appeals, Per Curiam, *Tenorio* v. *McGowan*, 513 F.2d 294 (CA 5, 1975), the Court saying that this argument was not so; that this case was decided on its own peculiar facts and does not damage "the fabric of the Honduran, or any similar, Treaty" (A70).

## II. The Circuit Court of Appeals in Its Former Opinions in This Case Did Construe and Pass on the Validity of the Mississippi Non-Resident Alien Statute in Relation to the Facts in This Case (§ 89-1-23, Miss. Code 1972) (A77)

An examination of the Brief of Petitioner in this cause will reflect the fact that many of the same identical arguments are made in this Petition for Writ of Certiorari which were made in the original Petition for Writ of Certiorari which was denied on October 6, 1975 (423 U.S. 877, 96 S.Ct. 150).

In the present Petition, considerable emphasis is placed upon the non-resident statute in question. Petitioner states that Section 842 of Mississippi Code 1942, now § 89-1-23, Miss. Code Ann. (1972), is discriminatory and an intrusion of the state into foreign affairs since it allows non-resident alien citizens of Syria or the Lebanese Republic to inherit property from citizens or residents of Mississippi, but denies that right to all other non-resident aliens. Petitioner uses the same novel, although specious argument, she used in the lower Court. It is said that in order to make the statute valid, the Court should read into the statute that all aliens may take property regardless of residence, in other words, judically repeal a statute which has been on the books since 1892.

It is interesting that on this point Petitioner's Brief quoted a portion of the Opinion of Judge Coleman of the Fifth Circuit, stopping her quotation at the conclusion of the words, ". . . there was no request that a three judge court be convened." What counsel did not do is to quote the balance of the paragraph which completely decides the question of whether or not the Mississippi statute was valid. Immediately after the quotation hereinabove set out, Judge Coleman said the following:



> "In any event, when the statute was last amended, Chapter 237, Laws of Mississippi of 1040, it contained the usual severability clause [Section 4]. Additionally, if the statute, as presently written, were to be invalidated, necessitating a return to the previously existing valid statute[3] the legal status of the plaintiff-appellee as a nonresident alien would remain the same. To go a step further, if all the statutes were to be set aside, the status of the non-resident alien under the common law would prohibit her owning title to land in Mississippi, Scottish American Mortgage Company v. Butler, 99 Miss. 56, 54 So. 666 (1911), 510 F.2d at 101 (A43-A44)."

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3. Lawrence v. Mississippi State Tax Commission, 162 Miss. 338, 137 So. 503; affirmed, 286 U.S. 276, 52 S.Ct. 556, 76 L.Ed. 1102, 87 A.L.R. 374.

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We are not in disagreement with the holding of the Supreme Court of the United States in the cases of *Moody* v. *Flowers*, 387 U.S. 97, 87 S.Ct. 1544 (1967), and *Kennedy* v. *Mendoza-Martinez*, 372 U.S. 144, 83 S.Ct. 554 (1963), which held that a three-judge court need not be convened to decide such a matter. The question of the validity of the statute was decided in the original opinion of Judge Coleman (A43-A44).

When this case appeared before the United States Court of Appeals for the last time, a unanimous panel recognized that Petitioner had attempted to attack the constitutionality of the Mississippi statute and in its opinion of February 16, 1979, stated:

> "The plaintiff also alleges that the Mississippi statute prohibiting ownership of land by an alien was unconstitutional. We disposed of that argument in our prior opinion." *Dorotea Zaldivar V. de Tenorio, et al.* v.

*Charles Lavell Lightsey, et al.*, No. 77-1242 (CA 5) (1979) (A111).

### III. The Due Process of Law Argument

Petitioner argues that the "due process of law" statement in the Treaty prevents what Petitioner calls "invidious discrimination" by state law on the basis solely of national origin, basing her argument on the fact that nonresident alien citizens of Syria or the Lebanese Republic may inherit under Mississippi law. This argument was disposed of once and for all by Judge Coleman as hereinabove stated.

At the threshold of this argument, we concede that every Treaty made by authority of the United States is superior to the Constitution or Laws of any individual state. *Hauenstein* v. *Lynham*, 100 U.S. 483, 25 L.Ed. 628 (1880); *Clark* v. *Allen*, 331 U.S. 503, 67 S.Ct. 1431, 91 L.Ed. 1633 (1947).

The Treaty of Friendship, Commerce and Consular Rights between the United States and the Republic of Honduras was in effect at the time of the death of E. J. McGowan in 1957. The two Treaty Articles upon which the decision of the Fifth Circuit Court of Appeals as well as the decision of the lower Court was based, are Articles I and Article IV which are set out in the Appendix of the Petition on pages A73 and A75 and will not be repeated here.

Petitioner attempts to persuade this Court, as she did the lower Court, that Article I of the Treaty is the controlling portion. She places complete reliance upon the language which appears in Article I that the aliens involved were entitled to, "the most constant protection and security for their persons and property, * * *. Their property



shall not be taken without due process of law and without payment of just compensation." The trial Court engrafted upon Article I an additional provision not appearing therein, that until the alien had knowledge or notice of the Treaty and of his inheritance, the three year period within which to sell provided in Section IV of the Treaty would not begin to run. This was in the face of the fact that there was not one scintilla of evidence offered by Petitioner in the trial of this case, other than apparent lack of knowledge of the provisions of the Treaty or knowledge of her inheritance, to justify the prolongation of the three year term in which to dispose of the property. In effect, the lower Court completely rewrote the Treaty and judicially read out of the Treaty Article IV. The Court adjudicated that Article IV of the Treaty does not mean what it says and that similar Articles in like Treaties for more than a century should be ignored.

In the Brief of Petitioner, nothing is said about Article IV of the Treaty. The only mention of Article IV appears in Appendix D, pages A75 and A76. The Opinion of the Fifth Circuit Court of Appeals was based at least as much on Article IV of the Treaty as on Article I although the Court took into consideration both Articles.

We quote from the Opinion of Judge Coleman on this point as follows:

> "[2] The language in the last sentence of the fourth paragraph of Article I, reads, 'Their property shall not be taken without due process of law and without payment of just compensation.' This obviously refers to one of the contracting powers taking property from the citizen of the other. This is so because private parties, personal or corporate, have never had the right to take property from another. Consequently,

this limitation must be construed as referring to takings by the respective signators to the Treaty from citizens of the other. The litigation now before us does not involve expropriation, eminent domain, or any similar taking of property by governmental action." (*Tenorio* v. *McGowan*, 510 F.2d 92 [CA 5, 1975]) (A35).

Throughout this case, in both the lower Court, the Circuit Court of Appeals, the previous Petition for Writ of Certiorari, and in this Petition, Petitioner has argued that this particular Treaty is different from any other Treaty ever written and no other Treaty contains Article I and Article IV as does the Treaty in question. This just does not comport with the facts. The Treaty with Italy which was mentioned in the Mississippi case of *Guiseppe* v. *Cozzani*, 238 Miss. 273, 118 So.2d 189 (1960); 248 Miss. 588, 159 So.2d 278 (1964); and 193 So.2d 549 (1966), contained the identical provisions of Article I and Article IV of this Treaty as did the Treaty in the case of *Clark* v. *Allen*, 331 U.S. 503, 67 S.Ct. 1431, 91 L.Ed. 1633, 170 A.L.R. 953 (1947). That Treaty may be found at 44 Stat. 2132. This fact was acknowledged in the opinion of the trial Court (A20).

Although Petitioner mentions *Clark*, supra, in her Petition, she actually ignores what the Court held. That was the case of a California resident who died in 1942, willing certain real and personal property to four relatives who were nationals of Germany. Six California heirs filed a Petition for determination of heirship and the Attorney General filed a suit under the Alien Property Act to escheat the property to the State. In this opinion the Court quoted Article IV which is identical with the Article here in question and after so doing specifically held:



"The rights secured are in terms a right to sell within a specified time plus a right to withdraw the proceeds and an exemption from discriminatory taxation. It is plain that those rights extend to the German heirs of 'any person' holding realty in the United States."

Although this case did not involve the passage of time in excess of three years, since suit was brought within one year after the deceased passed away, the Court held that the aliens' rights were the rights under Article IV of the Treaty and at page 965 stated: "In summary, we hold that disposition of the realty is governed by Article IV of the Treaty." This case held specifically that Article IV does control insofar as the realty is concerned.

Apparently Petitioner's argument is that due process under Article I of the Treaty means that Petitioner should be declared to be the owner of the property in question regardless of anything she did or failed to do and without giving any effect to Article IV of the Treaty. Due process as we construe the meaning, grants to the claimant when claim is made the right to have his day in Court, to be heard and given a chance to show cause, if any he can, why the Treaty provision should not be enforced as written and to offer proof as to why the three year period to sell should be prolonged. This is exactly what happened in this case. Petitioner has been afforded due process. She and others filed suit to secure and protect what they consider to be their property rights. They were all summoned into Court where they asserted that the provisions of the Treaty should prevail. They offered no proof as to why the three year term to sell should be "reasonably prolonged if circumstances render it necessary". They have no grounds upon which to complain about the lack of due process. Undoubtedly, the party claiming that there should be prolongation of the term

in which to sell has the burden of proof to produce facts which will justify the Court in prolonging the term. Otherwise the alien loses his rights at the end of the three year period and no longer has any title to the property in question, as was held in the opinion of the Fifth Circuit Court of Appeals.

If the alien demonstrates a lack of diligence or interest, why should not the period run as specified? Ignorance of the law is no excuse. There are numerous cases which are analogous to the present situation. One who claims property adversely does not have to notify the record owner or advise him of his legal rights.

It was encumbent upon the widow of McGowan or her heirs to take some action and do something toward selling the land within the period of time prescribed by the Treaty or present evidence of some reasonable cause other than ignorance as to why they did not do so. They did nothing. There is no evidence that anyone involved was ever misled directly, or indirectly, by H. E. McGowan, or anyone else.

As was stated very succinctly in the opinion of the Fifth Circuit Court of Appeals (A37), the widow of McGowan was represented by counsel, who, presumably advised her of her legal rights during the Intestate Succession as evidenced by Exhibits D-14 and D-1 (Ex. Vol. II). She knew the names and addresses of two of her husband's brothers yet she never made inquiry during her lifetime about anything. Certainly neither of them could have known anything about her whereabouts when she went back to Honduras in 1958, one year after the death of her husband (Apx. V. I, p. 271).

There are several cases which have construed Treaties having provisions similar to Article IV of the Honduran Treaty although no case has actually construed Article I, as such, until the present case.



One of the leading cases is the case of *Miller* v. *Clausen*, 8 Cir. (1924), 299 Fed. 723, appeal dismissed, 269 U.S. 595, 46 S.Ct. 105, 70 L.Ed. 431 (1925). The substance of this case was set out in the opinion of Judge J. P. Coleman of the Fifth Circuit Court of Appeals and will not be repeated here (A39-A40). This was the case of an unexplained lapse of five years and the Court held that there was a failure of the conditions imposed by the Treaty and that title failed by operation of law.

The general rule in this regard is stated in 3 Am.Jur. 2d, *Aliens and Citizens*, Sec. 34, p. 883, as follows:

> "* * * A reasonable time specified in a treaty within which to sell the property is, in the absence of statutory regulation, necessarily a matter of judicial construction * * *" (p. 883).
>
> "There is much discussion in the cases as to the nature of the title an alien holds under such a treaty. Some call it a base or qualified fee, and others a determinable fee. The terminology is not of controlling importance. That the right to sell carries with it the ownership as a necessary incident to the power of sale is clear. *Upon failure of the condition of sale or disposal imposed by the treaty, however, the title of the alien fails by operation of law and vests in the persons upon whom the state law would have otherwise cast it in the first instance.*" (p. 884) (Emphasis supplied).

See also the case of *Ahrans* v. *Ahrans*, Iowa, 123 N.W. 164. This involved a Treaty with no specific time stated in which the Iowa Supreme Court held that eight years without selling the property and without explanation was not a reasonable time.

*Ahrans* was cited with approval and followed in *Pierson* v. *Lawler,* Neb., 161 N.W. 419. This involved a Treaty with the exact language of Article IV although not Article I. This case held that an attempt to sell more than eleven years after the death of the owner was too long and that "circumstances showing a necessity for prolonging the period a sufficient length of time to uphold the conveyance from Mary Young to plaintiff are not proved" (p. 421). Exactly the same situation obtains in this case.

See also *Yeaker's Heirs* v. *Yeaker's Heirs,* 61 Ky. 33, affirmed, 19 L.Ed. 571 (1862), in which the Court held that a period of six years without selling the land and without explanation was too long to wait.

Since Article I says that aliens are entitled to "that degree of protection that is required by international law", Petitioner says she should prevail regardless of the facts.

International Law requires the protection of only that which a state allows, subject to whatever modification the Treaty affords. Mississippi allows no inheritance of realty by a Honduran national, but the Treaty in Article IV modifies this to give a Honduran national a defeasible fee. Article I, therefore, protects the Honduran national only in the ownership of his defeasible fee, which must be sold within three years. When this is lost because of his failure to act, there is nothing left for Article I to protect. The alien has lost his defeasible fee under the very terms of Article IV of the Treaty. Articles I and IV must be construed together.

See *International Law* by Charles Cheney Hyde, Second Revised Edition, Volume 1, Sec. 203, pp. 650, et seq., The Private Ownership and Control of Property.

Petitioner argues that the Treaty must be interpreted most liberally so as to award the property here in question



to her. Liberal interpretation of a Treaty does not mean changing the meaning of the entire document. One of the best statements on this point is found in the case of *Corbet* v. *Stergios,* 126 N.W.2d 342 (Iowa 1964). This case involved the construction of certain state statutes and a Treaty between the United States and Greece which had a "most favored nation clause". It was different in numerous respects from the Treaty with which we deal, yet the principle enunciated remains the same. It is interesting to note that the parties claiming the benefit of the Treaty in that case used some of the identical arguments which are used here. In answer thereto, the Iowa Supreme Court stated:

> "The fourth brief point of appellant is that treaties should be interpreted liberally so as to give effect to all rights which may reasonably be claimed thereunder. This theory of liberal treatment is considered in Kolovrat v. Oregon, 366 U.S. 187, 81 S. Ct. 922, 6 L.Ed. 2d 218; Doehrel v. Hillmer, 102 Iowa 169, 71 N.W. 204. *Liberal interpretation is all right as to doubtful clauses, but it must not change the meaning of a treaty.* (Emphasis supplied).
>
> In the case of Doehrel v. Hillmer, supra, we said:
>
> '[W]here a treaty admits of two constructions, one restrictive as to the rights that may be claimed under it and the other liberal, the latter is to be preferred.'
>
> *This theory is correct where two constructions are possible, but in the first place there are no two constructions to be differentiated in the case at bar, and in the second place the theory of liberality does not reach to the point of changing the clear meaning of treaties and statutes.* We are not faced with the dilemma in the instant case.

A treaty between nations is dual in purpose. It established broad political and commercial rights as between the governments of the two nations. It also grants privileges, rights and obligations between the citizens of each nation, commonly known as nationals. 87 C.J.S., Treaties, Secs. 1 and 2; 52 Am.Jur., Treaties, Sections 1 and 4.

*In a judicial construction of a treaty the same general rules apply as pertain to contracts and statutes. As in such cases, the intention of the parties shall have primary consideration.* 52 Am.Jur., Treaties, Section 12. In re Anderson's Estate, 166 Iowa 617, 147 N.W. 1098, 58 L.R.A. N.S., 686.

As pertaining to the case at bar some of the statements in Am.Jur., supra are relevant. '* * * a treaty should be given such a construction as will avoid unjust and unreasonable conclusions * * * * and such as tends to the common advantage of the contracting parties * * * *but not such as will put aliens on a more favorable footing than our own citizens.' Also 'The Courts are not required to * * * place an unreasonable interpretation on it, for the purpose of securing to foreigners privileges which are denied to citizens of this country.'"* (Emphasis supplied).

Our own Supreme Court follows the same view as the Iowa court as to judicial construction of treaties, contracts and statutes. In the early case of *Anderson* v. *Lewis*, (Miss. 1843) Freem. Ch. 178, our Court stated:

> "Where individual rights vest under a treaty, the meaning of the treaty, in respect to them, is to be construed by the same rules as private contracts."



The same rule of construction of statutes is in effect in Mississippi and numerous cases may be found in 13 Miss. Dig., Sec. 206, p. 318. Among these cases, is a United States Supreme Court case, *U. S.* v. *Boisdore's Heirs*, 49 U.S. 113, 8 How. 113, 12 L.Ed. 1009 (Miss. 1850), which enunciated the following rule:

> "In expounding a statute, the Supreme Court must not be guided by a single sentence or member of a sentence but must look to the provisions of the whole law and to its object and policy."

If it had not been the object and the policy of the treaty writers that an alien would have to avail himself of his opportunity to sell realty in the United States within a three year period of time, or show good cause why he did not do so, Article IV could have and would have been eliminated. Yet, it is the Article most common in dozens of treaties from our earliest history to the present time. It would have been simple for the authors of treaties to rewrite them (as the Trial Court in effect did) by omitting Article IV and insert in Article I language that, "real property can never be taken from an alien until and unless he has been notified of his inheritance, advised of his rights, has been offered the fair market value for the property and refused to accept same." The position of Petitioner and of the Trial Court just does not comport with reason and equity.

## IV. No Intrusion of State Into Foreign Affairs

Petitioner alleges in this Petition as she did in her first Petition for Writ of Certiorari, that the Mississippi statute is an intrusion into foreign affairs. We believe that this is not borne out by the facts. This statute only has an incidental or indirect effect on foreign countries. *Clark* v. *Allen*, 331 U.S. 503, 67 S.Ct. 1431 (1947). This

statute does not have any direct effect of depriving a Honduran national of any inheritance.

The case of *Zschernig* v. *Miller,* 389 U.S. 429, 88 S.Ct. 664 (1968), is totally different from the case at bar. In the *Zschernig* case, the State of Oregon was attempting to have certain lands belonging to alien heirs escheated to the State. This case seems to be based largely on the concept of "confiscation" by the State which is frowned upon as being opposed to the just compensation clause of the Fifth Amendment. The facts are not analogous in any way. It approaches absurdity to say that the Mississippi statute impairs the effective exercise of the nation's foreign policy.

The case of *Hines* v *Davidowitz,* 312 U.S. 52, 61 S.Ct. 399 (1941), cited by Petitioner, is not in point in any way when examined in the light of the facts of this case. *Hines* was a case in which the State of Pennsylvania had adopted an "Alien Registration Act" laying down certain requirements and principles to which aliens in the State of Pennsylvania must conform. This was in direct contradiction of Federal Acts on alien registration and the Court held that the Federal jurisdiction took precedence over that of the State. There is no such treaty with the provisions of the instant case involved.

All of the points as to the Mississippi statute being an unconstitutional intrusion by the State into the field of foreign affairs were in the case when it was originally decided by Judge Coleman and he recognized this in his opinion (A43).

If for some reason this Court should grant certiorari and decide subsequently that the non-resident alien statute of Mississippi is unconstitutional because it allows non-resident alien citizens of Syria or the Lebanese Republic to inherit property, but denies that right to all other non-



resident aliens, the ultimate result upon a retrial would be as stated by Judge Coleman in his opinion. When the statute was last amended, being Chapter 237, *Laws of Mississippi of 1940,* it contained the usual severability clause if any clause were deemed unconstitutional. In that event, as held in *Lawrence* v. *Mississippi State Tax Commission* (supra), there would be a return to the previously existing valid statute. A Honduran native, along with Syrians and Lebanese natives, still would not inherit. If for any reason the entire statute were declared unconstitutional and this Court were to decide that no state could adopt any prohibition against inheritance by non-resident aliens (which certainly is not and could not be the case), then Mississippi would revert to the common law which prohibits any alien from owning title to land in Mississippi as enunciated in *Scottish American Mortgage Company* v. *Butler* (supra). Thus, reversal on this ground would be a vain and futile thing.

This case just could have no significant effect upon this nation's foreign affairs and its relation with those countries with which it had negotiated treaties.

## V. Cases Distinguished

Petitioner cites several cases to support her contention that liberal treaty construction demands that the decision of the Fifth Circuit Court of Appeals should be reversed but these cases actually are not in point on the facts as related to this case. Numerous cases enunciate the rule that if a treaty fairly admits of two constructions, one restricting the rights which may be claimed under it, and the other enlarging it, the more liberal construction is to be preferred. None of these cases, however, hold that the Court may add to or take away from the actual terms of the treaties themselves.

The case of *Factor* v. *Laubenheimer,* 290 U.S. 276, 54 S.Ct. 191 (1933) cited by Petitioner, enunciates an abstract principle of law which is not applicable to the case at bar. That case involved the interpretation of an extradiction treaty relative to the commission of a crime.

*Hauenstein* v. *Lynham,* 100 U.S. 483, 25 L.Ed. 628 (1880), construed a Swiss treaty and is not in point in anywise. In this treaty the alien had the right to withdraw and export the proceeds derived from the sale of property "at all times". There was no statute of limitations. This case was discussed in the case of *Moody* v. *Hagen, et al.,* (N.D. 1917) 162 N.W. 704. The Supreme Court of North Dakota stated:

> "The case of Hauenstein v. Lynham, 100 U. S. 483, 25 L.Ed. 628, involved the estate of a citizen of Switzerland who was a resident of Virginia and the claimant was also a citizen of Switzerland. The provisions of the treaty therefore were clearly applicable to the parties, and though a liberal doctrine of construction was applied as to the express terms of the instrument, *there was no attempt to add to the treaty other terms which were not included in it.*" (Emphasis supplied).

None of the other cases discussed by Petitioner as support for the "liberal interpretation" theory have anything to do with the treaty relating to the sale of land, save and except the case of *Dutton* v. *Donahue,* 8 P.2d 90, 79 A.L.R. 1355 (Wyo. 1932). This case involved treaty provisions similar to Article IV. It did not involve a contest with local heirs who otherwise would have inherited the property after the expiration of the three year period to sell, but involved the question as to whether or not lands should escheat to the State. Essentially the decision was that, "any doubt as to whether the property is subject to escheat should be resolved against the State".



Again the Court held that the question of the reasonableness of prolongation is a matter of fact for the Courts to determine after proof.

Petitioner quotes out of context from numerous cases which support the theory of liberal construction and other matters. These cases do not relate to anything even closely akin to the facts in the case at bar. In *Asakura* v. *City of Seattle,* 265 U.S. 332, 44 S.Ct. 515 (1924), a treaty with Japan allowing Nationals to carry on "trade" was held to include the operation of a pawn shop. *Jordan* v. *Tashiro,* 278 U.S. 123, 49 S.Ct. 47 (1928) held that fishing for "commercial" purposes to carry on a "trade, wholesale and retail business", included the leasing of land, on which to construct a hospital.

*Todok* v. *Union State Bank of Harvard, Neb.,* 281 U.S. 449, 50 S.Ct. 363 (1930) is quoted as construing a treaty with Norway holding that "goods and effects" included land and allowed the disposition without restrictions. It is stated that this is authority for the position of Petitioner. Nothing could be further from the facts. In *Todok* the Court held that the treaty did not apply in that case. A citizen of Norway who lived in Nebraska and who claimed homestead exemption executed deeds to his homestead prior to his death. His wife, who was in Norway, did not join in the instruments, and the Court held that the treaty did not make valid the conveyances since the absent spouse did not join in the conveyances and the deeds were void.

We have no quarrel with the quotation from the case of *Sullivan* v. *Kidd,* 254 U.S. 433, 41 S.Ct. 158 (1920) which stated that "* * * All parts of a treaty are to receive a reasonable construction with a view to giving a fair operation to the whole" (254 U.S. 439). This case is not in point on its facts. A reasonable construction

of the Honduran Treaty on the facts of our case could lead only to the ultimate result reached by the Fifth Circuit.

The quotation from *DeGeoffroy* v. *Riggs*, 133 U.S. 258, 10 S.Ct. 295 (1890) is a good abstract statement of treaty construction which has nothing to do with this case.

The case of *Johnson* v. *Robison*, 94 S.Ct. 1160 (1974), cited by Petitioner has no place in this brief. This was the case of a conscientious objector to military service who performed civilian service. Upon being denied educational benefits such as military veterans were entitled to receive, he brought a class action. The lower Court held that there could be judicial review of decisions of the Administrator of Veterans' Affairs on this question of law and fact and that failure to grant benefits violated the guarantee of religious freedom and equal protection of the laws. The Supreme Court held that the sections of the law which prohibited the objector from participating in educational benefits did not violate the guarantee of religious freedom nor deny him equal protection of the laws. This has nothing to do with treaty interpretation.

The cases of *Quong Ham Wah Co.* v. *Industrial Accident Commission*, 192 Pac. 1021, 12 A.L.R. 1190, error dism., 255 U.S. 445, 41 S.Ct. 373 (Cal. 1920), *Sugarman* v. *Dougall, et al.*, 413 U.S. 634, 93 S.Ct. 2842 (1973) and *Weinberger* v. *Wisenfeld*, 95 S.Ct. 1225 (1975) do not involve the construction of treaties. The *Quong* case involves the extension of workmen's compensation benefits to an alien worker as if he had been a citizen of the State of California. *Sugarman* provided that a resident alien could take a civil service examination and hold a civil service position. *Weinberger* granted social security benefits to widowers as well as to widows. The cases have no application to the case at bar.



## CONCLUSION

From the very beginning of this case, there has been much talk and lip service as well as legal argument about the rights of aliens, and particularly the aliens involved herein. This Court and the other Courts have heard much about "due process of Law", "notice", "fair play", "nondiscrimination", "liberal construction of treaties". To put the matter in perspective, the Court must remember that for sixty years Hamilton McGowan occupied, used and for most of said period thought he owned the land, which was ordinary farmland. Had this land not become valuable for oil discovered on the property shortly after this suit was filed, the so-called alien heirs might have lived in Honduras or elsewhere for a hundred years and no one would have ever questioned the title of Hamilton McGowan, or his heirs. It was only after the property became valuable for oil that those who will profit most if Tenorio wins this suit began the search for the aliens. All at once these philanthropic minded Mississippians became extremely concerned that the rights of ignorant, non-English speaking aliens be protected and preserved. Fourteen years of doing nothing should be ignored in the interest of fair play and nondiscrimination, regardless of Treaty provisions.

Perhaps no one could have expressed the reasoning behind this lawsuit better than the Petitioner at page 15 of her first Brief filed before the United States Fifth Circuit Court of Appeals. Her stated reasons are most interesting.[1]

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1. "From the circumstances in evidence, as outlined by the District Court, the inference is inescapable, and the District Court so held, that Obdulia was ignorant of her Clarke County inheritance from her husband, but even if she had known that

*(Continued on following page)*

Petitioner in the statement from her brief, set out herein, finally "told it like it is." For fourteen years the value of the land didn't justify the expense or effort to claim same. It wasn't worth the gamble. However, when the property became valuable for oil purposes, interested oil men unearthed the aliens and became extremely solicitous of their welfare. They were willing to and are bearing all the expense of this suit for a period of more than eight years, even to the Supreme Court of the United States twice.[2] It was then that prolongation became vitally necessary, something at long last must be done to protect the rights of aliens, for "it was now worth the gamble".

It is interesting to note that Judge Skelton who wrote the unanimous opinion of February 16, 1979, in this case (*Tenorio, et al.* v. *Lightsey, et al.*, No. 77-1242 (CA 5, 1979)) (A106) in a note to his opinion stated: "This case has run the full course of our Federal Judiciary." Judge Skelton then proceeded to document all of the ramifications

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Footnote continued—

the land existed as an asset of her husband's estate, the difficulties that she would likely have encountered in selling the land at a fair price or at any price, during the eleven-year space of her life after Elbert's death, would have been insurmountable. *In the first place, the value of the land, so far as then known, was limited to its utility for farming or pasture—hardly enough to even pay the expense of investigation by one in Central America. In the second place, any effort in this direction, as it now appears, would have been met with the opposition of Hamilton, who was in physical possession and this alone would have made the title unmerchantable, for no one for so little would have gambled so much.*" (Brief of Petitioner, 5 Cir., p. 15) (Emphasis supplied).

2. "Q. [by respondents' counsel]:

Mrs. Tenorio, who is financing this lawsuit for you?

"A. The company, the lawyer, I imagine.

"Q. Mrs. Tenorio, you have not spent any money of your own in order to come from your home in Honduras to participate in this trial, have you?

"A. No." (Apx. V. 1, p. 287).



of this long, drawn-out case, giving every indication that he thought that this case has been in the Courts long enough, as do we.

We believe that the Petition for Writ of Certiorari should be denied.

Respectfully submitted,

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Supreme Court, U. S.
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# In the Supreme Court of the United States

OCTOBER TERM, 1978

No. 78-1698

DOROTEA ZALDIVAR V. DE TENORIO, ET AL.,
*Petitioner,*

vs.

CHARLES LAVELL LIGHTSEY, ET AL.,
*Respondent.*

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

## REPLY BRIEF

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## REPLY BRIEF

Respondent argues two points on which we comment in this reply.

Emphasis by Respondent on the Fifth Circuit's view that due process of law extends only to questions of a direct taking of property by the signators to the Treaty, in this case the federal government, suggests some variation on the statement of questions for review. The question is:

> Is the Treaty provision found in Article I that: "Their property shall not be taken without due process of law and without payment of just compensation" limited to a taking by the federal government, as by expropriation or eminent domain, or does it extend to a taking under color of a state statute which, as construed below, adversely discriminates against Treaty Nationals solely on the basis of national origin?

The Court of Appeals answers in the affirmative. It denies to Hondurans an extension of time within which to hold inherited property equal to the time allowed to nationals of other countries, - thereby condoning the denial of the equal protection of the law implied in the mandate for due process of law.

We respectfully submit that this narrow and restrictive construction strikes at the very heart of the Treaty and deserves review by this Court, because leadership in a manifestation of good faith on the part of this nation in upholding to the fullest extent the spirit as well as the letter of Treaties of Friendship and Commerce with friendly nations around the world is of the utmost importance.

A brief discussion follows.

On page 9, Respondent asserts that the Fifth Circuit based its opinion as much on one article of the Treaty as another and proceeds to quote Judge Coleman's view of Article I as follows:

> "[2] The language in the last sentence of the fourth paragraph of Article I, reads, 'Their property shall not be taken without due process of law and without payment of just compensation.' This obviously refers to one of the contracting powers taking property from the citizen of the other. This is so because private parties, personal or corporate, have never had the right to take property from another. Consequently, this limitation must be construed as referring to takings by the respective signators to the Treaty from citizens of the other. The litigation now before us does not involve expropriation, eminent domain, or any similar taking of property by governmental action. (Tenorio v. McGowan, 510 F.2d 92 [CA 5, 1975]" (A.35).



The quoted conclusion indicates that the panel majority was aware of Article I but it also proves beyond doubt that the Court declined to give it any effect whatever. Indeed, the failure of the Fifth Circuit to give effect to the due process of law mandate is what the petition to this Court is all about.

True, the United States government, as the contracting power on this side of the Treaty, did not take the property of the Honduran National, and her property was not taken through expropriation or eminent domain by the government, but her property was taken from her by force of a state statute, as construed and applied by the Court of Appeals, and transferred to or vested in another.

To limit the reach of due process of law to an act of the "respective signators to the Treaty", - that is to say by the act of the federal government, - is to read a restrictive clause into the Treaty which is not there.

The Treaty reads in pertinent part (A.74):

> "The nationals of each High Contracting Party shall receive within the territories of the other, upon submitting to conditions imposed upon its nationals, the most constant protection and security for their persons and property, and shall enjoy in this respect that degree of protection that is required by international law. Their property shall not be taken without due process of law and without payment of just compensation."

The "constant protection and security for their persons and property" extends expressly throughout the "territories" of each nation. Mississippi is a part of the territory of the United States. Persons and property are put upon

an equal footing in the terms of the protection afforded by the Treaty. The Treaty carries no words of restriction.

Due process of law prohibits the impermissible taking of one person's property and vesting it in another under color or force of discriminatory law, - whether that law be one of national or state creation.

In this case, due process of law includes, at the minimum, treatment by the state government of Honduran Nationals on a plane of protection equal to its treatment of other non-resident aliens who are allowed to inherit and hold land indefinitely in the territory of Mississippi, as in the case of the Nationals of Syria and the Lebanese Republic. The discrimination is facial, and no basis for a lawful classification has been suggested and none is apparent.

Respondent argues that the Treaty must be read as a whole and that Article IV limits Article I by the phrase:

> ". . . such national shall be allowed a term of three years in which to sell the same (real property), this term to be reasonably prolonged if circumstances render it necessary. . ." (A.75).

However, the argument does not read the Treaty as a whole but, like the reasoning of the Fifth Circuit, simply ignores the application of Article I.

The two articles of the Treaty are easily reconciled. The circumstances which render necessary the prolongation of the term for holding inherited property is the implied due process of law mandate for equal treatment under law.

Since Mississippi allows by law an indefinite time for certain non-resident aliens to hold land following inheri-



tance, the due process of law guaranteed by the Treaty requires equal treatment in the protection of the property rights of the treaty nationals.

It is only by adding to Mississippi's list of favored non-resident aliens the Nationals of Honduras that invidious discrimination can be avoided and the command of due process satisfied.

The granting of due process relief in this case does not require the voiding of the Mississippi statute or the elimination of the state's favored nations from its provisions, and no such result is suggested by Petitioner. It is only necessary that the Court adjudge that the Nationals of Honduras are entitled to equal time for holding land acquired by inheritance from citizens of Mississippi, U. S. A.

We urge the Court to review the important and far-reaching questions of Treaty construction in terms of the constitutional equivalence of due process of law as that concept precludes invidious discrimination against those entitled, by the terms of the Treaty in question, to the equal protection of the law.

Equally as serious as the effect of invidious discrimination on the individual Treaty National is the effect of the same discrimination upon this nation's foreign relations.

Unquestionably, the state, by its act of choosing among nations, has intruded itself into the realm of foreign affairs reserved to the federal government. Is that intrusion permissible?

Respondent argues that the intrusion is not really serious and is incidental and indirect, but no authority is cited which supports this argument in the circumstances of the present case.

Our government is built upon an abiding respect for persons and property. Our Constitution is designed to protect personal rights and property rights. So it is with the Honduran Treaty, which stands equal with other laws as the supreme law of the land, when it speaks in constitutional terms of the protection by the due process of the law of property rights.

Therefore, it is difficult to imagine a more primary and direct effect upon Treaty nations than that of the taking of the property of its Nationals while, at the same time, protecting fully the right of others of different nationalities to hold property indefinitely.

The Treaty paves a two-way street. Adverse treatment of Hondurans in this country can have its effect upon the property rights of Americans in the Republic of Honduras, who must also depend upon the Treaty assurance that: "Their property shall not be taken without due process of law and without payment of just compensation".

## CONCLUSION

Thus far, the one judicial precedent dealing with Treaty due process of law has ignored or disregarded the mandate for avoidance of invidious discrimination. This Court is presented with its first opportunity to speak on the subject, and we respectfully submit that a ruling will serve the nation's interest in important areas of concern in the realm of foreign relations and human rights.

On the merits, we will ask that this Court adjudge that Honduran Nationals are entitled to hold inherited land on a basis equal to the rights afforded by Mississippi statute to the nationals of its most favored nations and that the



decision of the Court of Appeals be reversed with directions to reinstate the initial judgment of the United States District Court.

Respectfully submitted,

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